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As filed with the Securities and Exchange Commission on September 23, 2013

Registration No. 333-189284

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

Amendment No. 3
to

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ANTERO RESOURCES CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	1311 (Primary Standard Industrial Classification Code Number)	80-0162034 (IRS Employer Identification Number)
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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)

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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 any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 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(c) 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.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a
smaller reporting company)

The 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 this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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 state or jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated September 23, 2013

PROSPECTUS

Shares



Antero Resources Corporation

Common Stock

This is the initial public offering of the common stock of Antero Resources Corporation. We are offering _____ shares of our common stock. The selling stockholder has granted the underwriters the option to purchase up to an additional _____ shares of common stock on the same terms and conditions if the underwriters sell more than _____ shares of common stock in this offering. We have granted the underwriters the option to purchase up to an additional _____ shares of common stock on the same terms and conditions if the underwriters sell more than _____ shares of common stock in this offering. Any exercise by the underwriters of their options to purchase additional shares of common stock will be made initially with respect to the _____ additional shares of common stock to be sold by the selling stockholder and then with respect to the _____ additional shares of common stock to be sold by us. We will not receive any proceeds from the sale of shares held by the selling stockholder. No public market currently exists for our common stock.

We have been approved to list our common stock on the New York Stock Exchange under the symbol "AR".

We anticipate that the initial public offering price will be between \$ _____ and \$ _____ per share.

Investing in our common stock involves risk. See "Risk Factors" beginning on page 26 of this prospectus.

	<u>Per share</u>	<u>Total</u>
Price to the public	\$ _____	\$ _____
Underwriting discounts and commissions payable by us	\$ _____	\$ _____
Proceeds to us (before expenses)	\$ _____	\$ _____

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 underwriters expect to deliver the shares of common stock to purchasers on or about _____, 2013.

Barclays

Citigroup

J.P. Morgan

Credit Suisse

Jefferies

Wells Fargo Securities

Morgan Stanley

Tudor, Pickering, Holt & Co.

Baird

BMO Capital Markets

Capital One Securities

Raymond James

Scotiabank / Howard Weil

Credit Agricole CIB

KeyBanc Capital Markets

Mitsubishi UFJ Securities

BB&T Capital Markets

Comerica Securities

Prospectus dated , 2013

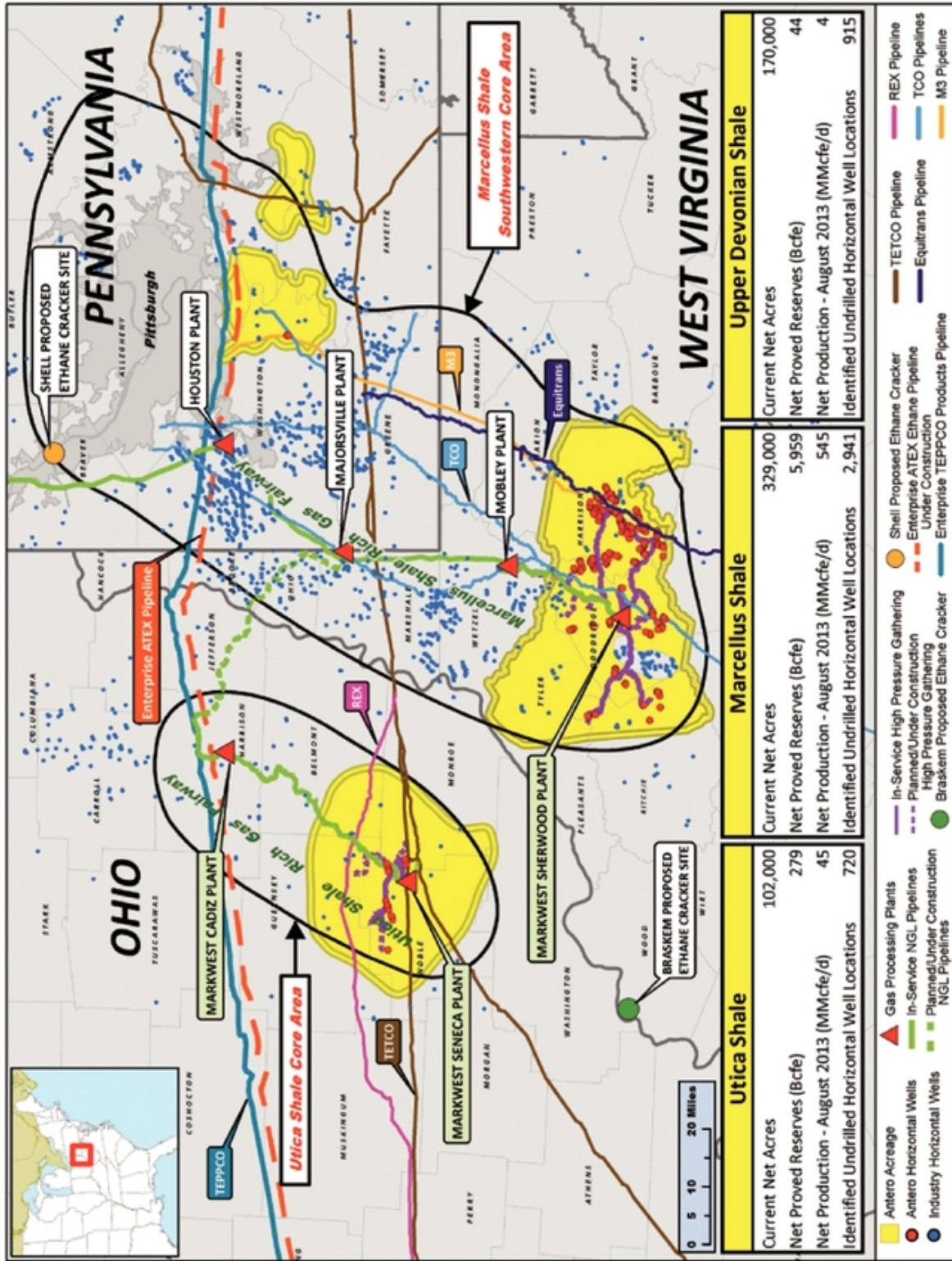


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You should rely only on the information contained in this prospectus and any free writing prospectus prepared by us or on behalf of us or to which we have referred you. Neither we nor the selling stockholder has authorized anyone to provide you with information different from that contained in this prospectus and any free writing prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the selling stockholder are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. See "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements."

Industry and Market Data

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, government publications and other published independent sources. Some data is also based on our good faith estimates. Although we believe these third-party sources are reliable as of their respective dates, neither we nor the underwriters have independently verified the accuracy or completeness of this information. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section entitled "Risk Factors." These and other factors could cause results to differ materially from those expressed in these publications.

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," "Cautionary Statement Regarding Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial statements and the related notes to those financial statements included elsewhere in this prospectus. Where applicable, we have assumed an initial public offering price of \$ per share (the midpoint of the price range set forth on the cover page of this prospectus). Unless otherwise indicated, the information presented in this prospectus assumes that the underwriters' options to purchase additional shares of common stock are not exercised. Unless otherwise indicated, the estimated reserve volumes presented in this prospectus are based on SEC pricing at June 30, 2013 (assuming ethane rejection), as described in "—Our Properties—Reserves." Certain operational terms used in this prospectus are defined in the "Glossary of Natural Gas and Oil Terms."

In this prospectus, references to "we," "us," "our" and the "Company" refer to Antero Resources LLC and its subsidiaries before the completion of our corporate reorganization and to Antero Resources Corporation and its subsidiaries as of and following the completion of our corporate reorganization. Please see "Corporate Reorganization." References to the "selling stockholder" refer to Antero Resources Investment LLC.

Our Company

We are an independent oil and natural gas company engaged in the exploitation, development and acquisition of natural gas, NGLs and oil properties located in the Appalachian Basin in West Virginia, Ohio and Pennsylvania. We are focused on creating shareholder value through the development of our large portfolio of repeatable, low cost, liquids-rich drilling opportunities in two of the premier North American shale plays. We currently hold approximately 329,000 net acres in the southwestern core of the Marcellus Shale and approximately 102,000 net acres in the core of the Utica Shale. In addition, we estimate that approximately 170,000 net acres of our Marcellus Shale leasehold are prospective for the slightly shallower Upper Devonian Shale. As of June 30, 2013, our estimated proved, probable and possible reserves were 6.3 Tcfe, 14.0 Tcfe and 7.4 Tcfe, respectively, and our proved reserves were 23% proved developed and 91% natural gas, assuming ethane rejection. As of June 30, 2013, our drilling inventory consisted of 4,576 identified potential horizontal well locations, approximately 64% of which are liquids-rich drilling opportunities.

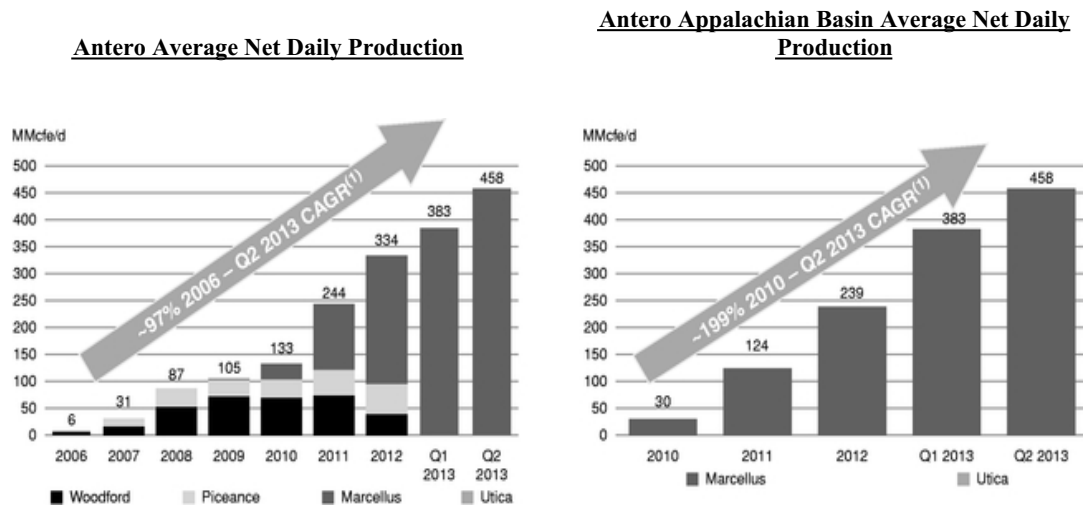
Our management team has a proven track record of implementing geologically driven growth strategies in some of the most prominent unconventional plays across the United States, including the Barnett, Woodford, Marcellus and Utica Shales. Paul Rady, our Chairman and Chief Executive Officer, and Glen Warren, our President and Chief Financial Officer, founded our business in 2002. The majority of our management team has worked together at various times for over 30 years at Amoco Production Company, Barrett Resources Corporation, Pennaco Energy Inc. and Antero Resources. Our management team has created significant shareholder value through various past ventures, including the sale of two unconventional resource-focused upstream companies and one midstream company in the last 15 years.

We have been successful in targeting large, repeatable resource plays where horizontal drilling and advanced fracture stimulation technologies provide the means to economically develop and produce natural gas, NGLs and oil from unconventional formations. We have been early adopters of innovative hydraulic fracturing and completion techniques, having drilled over 450 horizontal wells in the Barnett, Woodford, Marcellus and Utica Shales. As a result of our horizontal drilling and completion expertise, and the predictable geologic structure throughout our largely contiguous land position in the southwestern core of the Marcellus Shale, we have drilled approximately 1.3 million lateral feet without

encountering any faulting in our target zone. We have drilled and completed 199 horizontal wells in the Marcellus Shale with a 100% success rate to date. We define the term 100% success rate to mean that all wells were completed and produce in commercially viable quantities. With 15 rigs running, we are currently the most active driller in the Marcellus Shale based on information from RigData. We have begun to apply the expertise and approach we employ in the Marcellus Shale to the Utica Shale, and we believe we will be able to achieve similar success. We have drilled and completed 11 horizontal wells in the Utica Shale with a 100% success rate without encountering any faulting.

Our net daily production in the second quarter of 2013 averaged 458 MMcfe/d, including 4,160 Bbls/d of NGLs and oil. Further, our estimated average net daily production for the month of August 2013 was 594 MMcfe/d, including 8,630 Bbls/d of NGLs and oil. We grew proved reserves at a compounded annual growth rate of 96% from 2006 to 2012, despite the 2012 divestiture of our Arkoma and Piceance Basin properties. Additionally, from January 1, 2012 to June 30, 2013, we increased our Appalachian proved reserves by 47% to 6.3 Tcfe, assuming ethane rejection at each date.

The charts below illustrate the growth in our average net daily production on an overall basis since 2006 and in the Appalachian Basin since 2010:



(1) CAGR means compounded annual growth rate.

Our 2013 capital budget is \$2.45 billion, including \$1.45 billion for drilling and completion, substantially all of which is allocated to our operated drilling in liquids-rich gas areas. As of June 30, 2013, we had spent approximately \$1.2 billion of our 2013 capital budget.

Our Properties

Marcellus Shale

We believe that the Marcellus Shale is a premier North American shale play due to its high well recoveries relative to drilling and completion costs, broad aerial extent, relatively homogeneous high-quality reservoir characteristics and significant hydrocarbon resources in place. Based on these attributes, as well as drilling results publicly released by other operators, we believe that the Marcellus Shale offers some of the most attractive single-well rates of return of all North American conventional and unconventional play types. We also believe that the Marcellus Shale has two core areas: the southwestern core in northern West Virginia and southwestern Pennsylvania and the northeastern core in northeastern Pennsylvania. According to RigData, as of September 2013, approximately 90% of the 91 drilling rigs operating in the Marcellus Shale were located in these two core areas.

All of our approximately 329,000 net acres in the Marcellus Shale are located within the southwestern core. We have experienced virtually no geologic complexity in our drilling activities to date, which has contributed to what we believe to be a narrow and predictable band of expected well recoveries per 1,000 feet of lateral length on our wells. Further, the lower thermal maturity of the Marcellus Shale in the western half of the southwestern core yields liquids-rich natural gas and condensate, which allows for NGL processing that can significantly improve well economics. As of June 30, 2013, we had approximately 2,941 identified gross undrilled horizontal well locations in the Marcellus Shale.

For the three months ended June 30, 2013, we had average net daily production of 457 MMcfe/d in the Marcellus Shale. Further, our estimated average net daily production for the month of August 2013 in the Marcellus Shale was 549 MMcfe/d, including 6,528 Bbls/d of NGLs and oil. We currently have 15 rigs operating in the Marcellus Shale and expect to drill 135 wells in 2013, of which 74 had been drilled as of June 30, 2013. We believe our full cycle drilling, completion and operating costs on a per unit basis are among the lowest in the Marcellus Shale and the industry as a whole.

Utica Shale

Based on initial drilling results and the first two months of production for our 11 Utica wells, we believe that the Utica Shale is a premier North American shale play. We believe that the core area is located in the southern portion of the play, which has been defined by significant drilling activity by several operators. We own approximately 102,000 net acres in the core of the Utica Shale and expect to add to our sizeable land position. The proximity of our Utica acreage position to our operations in the Marcellus Shale allows us to capitalize on operating and midstream synergies. We are currently operating four drilling rigs in the Utica Shale and have completed 11 horizontal wells with strong results. We have had a 100% success rate and believe over 90% of our acreage has liquids-rich gas processing potential. We expect to drill 26 wells in the Utica Shale in 2013, of which 11 had been drilled as of June 30, 2013. As of June 30, 2013, we had approximately 720 identified gross undrilled horizontal well locations in the Utica Shale. For the three months ended June 30, 2013, we had average net daily production of 1 MMcfe/d in the Utica Shale. Further, our estimated average net daily production for the month of August 2013 in the Utica Shale was 45 MMcfe/d, including 2,102 Bbls/d of NGLs and oil.

Reserves

The following tables provide summaries of our estimated reserves as of June 30, 2013, assuming ethane "recovery" and ethane "rejection." Ethane rejection occurs when ethane is left in the wellhead gas stream when the gas is processed, rather than being separated out and sold as a liquid after fractionation. When ethane is left in the gas stream, the BTU content of the residue gas at the outlet of the processing plant is higher. Producers will elect to "reject" ethane when the price received for the higher BTU residue gas is greater than the price received for the ethane being sold as a liquid after fractionation. When ethane is recovered, the BTU content of the residue gas is lower, but a producer is then able to recover the value of the ethane sold as a separate NGL product. In addition, gas processing plants can produce the other NGL products (propane, normal butane, isobutane and natural gasoline) while rejecting ethane. The combination of infrastructure constraints in the Appalachian region and low ethane prices has resulted in many producers "rejecting" rather than "recovering" ethane. Although our reserve data as of December 31, 2012 assumed ethane recovery based on the reserve pricing methods required by the SEC, or SEC pricing, the current spot price environment has shifted to one that favors ethane rejection and therefore our reserve estimates as of June 30, 2013 assumed ethane rejection.

SEC Pricing

	June 30, 2013	
	Estimated Net Reserves (Bcfe)(1)	
	Ethane Recovery	Ethane Rejection
Proved Reserves(2):		
Marcellus Shale	6,689	5,959
Upper Devonian Shale	44	44
Utica Shale	341	279
Total Proved Reserves	7,074	6,282
<i>% Developed</i>	<i>22%</i>	<i>23%</i>
<i>% Liquids</i>	<i>23%</i>	<i>9%</i>
Probable Reserves(2)(3):		
Marcellus Shale	14,135	11,796
Upper Devonian Shale	665	661
Utica Shale	1,958	1,582
Total Probable Reserves	16,758	14,039
<i>% Liquids</i>	<i>38%</i>	<i>19%</i>
Possible Reserves(2)(3):		
Marcellus Shale	989	959
Upper Devonian Shale	3,461	3,076
Utica Shale	3,843	3,393
Total Possible Reserves	8,293	7,428
<i>% Liquids</i>	<i>23%</i>	<i>10%</i>
PV-10 of Proved Reserves (in millions)(2)(4)	\$ 4,243	\$ 4,468
PV-10 of Probable Reserves (in millions)(2)(4)	\$ 8,223	\$ 8,868
PV-10 of Possible Reserves (in millions)(2)(4)	\$ 2,210	\$ 2,413

- (1) Volumes and values were determined under SEC pricing using index prices for natural gas and oil of \$3.43 per MMBtu and \$91.65 per Bbl. These prices were then adjusted for transportation, gathering, processing, compression and other costs. For the adjusted realized prices under SEC pricing, see "Business—Our Operations—Reserve Data—Adjusted Index Prices Used in Reserve Calculations."
- (2) Our estimated proved, probable and possible reserves and PV-10 as of June 30, 2013 using SEC pricing are based on evaluations prepared by our internal reserve engineers, which have been audited by our independent reserve engineers, DeGolyer and MacNaughton.
- (3) All of our estimated probable and possible reserves are classified as undeveloped.
- (4) PV-10 was prepared using SEC pricing discounted at 10% per annum, without giving effect to taxes or hedges. PV-10 is 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 of future net cash flows, or after tax amount, because it presents the discounted future net cash flows attributable to our 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 a pricing methodology and discount factors that are consistent for all companies. Moreover, GAAP does not provide a measure of estimated future net cash flows for reserves other than proved reserves or for proved, probable or possible reserves

calculated using prices other than SEC prices. PV-10 does not take into account the effect of future taxes, and PV-10 estimates for reserve categories other than proved or for pricing sensitivities uses the relevant reserve volumes and prices, as applicable, but PV-10 is otherwise calculated using the same assumptions as those for, and in a manner consistent with, the calculation of standardized measure. Because PV-10 estimates of probable and possible reserves are more uncertain than PV-10 and standardized measure of proved reserves, but have not been adjusted for risk due to that uncertainty, they may not be comparable with each other. Similarly, PV-10 estimates for price sensitivities are not adjusted for the likelihood that the relevant pricing scenario will occur, and thus they may be subject to the same issues with comparability. Nonetheless, we believe that PV-10 estimates for reserve categories other than proved or for pricing sensitivities present useful information for investors about the future net cash flows of our reserves in the absence of a comparable GAAP measure such as standardized measure. 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. Investors should be cautioned that neither PV-10 nor standardized measure represents an estimate of the fair market value of our proved reserves. In addition, investors should be further cautioned that estimates of PV-10 of probable reserves, as well as the underlying volumetric estimates, are inherently more uncertain of being recovered and realized than comparable measures for proved reserves, and that the uncertainty for possible reserves is even more significant. Further, because estimates of probable and possible reserve volumes and PV-10 have not been adjusted for risk due to this uncertainty of recovery, they should not be summed arithmetically with each other or with comparable estimates for proved reserves. GAAP does not prescribe any corresponding measure for PV-10 of probable reserves and possible reserves or reserves based on other than SEC prices. As a result, it is not practicable for us to reconcile these additional PV-10 measures to GAAP standardized measure. For a reconciliation of PV-10 of proved reserves based on SEC pricing to standardized measure, see "—Summary Reserve, Production and Operating Data—Summary Reserve Data."

Strip Pricing Sensitivity Case

	June 30, 2013	
	Estimated Net Reserves (Bcfe)(1)	
	Ethane Recovery	Ethane Rejection
Sensitivity of Estimated Proved Reserves Based on Strip Pricing(2):		
Total equivalent proved reserves	7,087	6,295
Total equivalent proved developed reserves	1,594	1,448
Percent proved developed	22%	23%
PV-10 of proved reserves (in millions)(2)(3)	\$ 5,279	\$ 5,644
Sensitivity of Estimated Probable Reserves Based on Strip Pricing(2)		
(4):		
Total equivalent probable reserves	16,776	14,057
PV-10 of probable reserves (in millions)(2)(3)	\$ 9,173	\$ 10,210
Sensitivity of Estimated Possible Reserves Based on Strip Pricing(2)		
(4):		
Total equivalent possible reserves	8,310	7,444
PV-10 of possible reserves (in millions)(2)(3)	\$ 2,939	\$ 3,245

- (1) Volumes and values were determined under strip pricing using index prices for natural gas and oil of \$3.86 per MMBtu and \$87.04 per Bbl. These prices were then adjusted for transportation, gathering, processing, compression and other costs. For the adjusted realized prices under strip

pricing, see "Business—Our Operations—Reserve Data—Adjusted Index Prices Used in Reserve Calculations."

- (2) Our estimated proved, probable and possible reserves and PV-10 as of June 30, 2013 based on strip pricing as of June 30, 2013 have been prepared by our internal reserve engineers, which have been audited by our independent reserve engineers, DeGolyer and MacNaughton.
- (3) PV-10 was prepared using strip pricing, discounted at 10% per annum, without giving effect to taxes or hedges. PV-10 is a non-GAAP financial measure. We believe that the presentation of PV-10 is relevant and useful to our investors because it presents the discounted future net cash flows attributable to our reserves prior to taking into account future corporate income taxes and our current tax structure. PV-10 is based on a pricing methodology and discount factors that are consistent for all companies. Moreover, GAAP does not provide a measure of estimated future net cash flows for reserves other than proved reserves or for proved, probable or possible reserves calculated using prices other than SEC prices. PV-10 does not take into account the effect of future taxes, and PV-10 estimates for reserve categories other than proved or for pricing sensitivities uses the relevant reserve volumes and prices, as applicable, but PV-10 is otherwise calculated using the same assumptions as those for, and in a manner consistent with, the calculation of standardized measure. Because PV-10 estimates of probable and possible reserves are more uncertain than PV-10 and standardized measure of proved reserves, but have not been adjusted for risk due to that uncertainty, they may not be comparable with each other. Similarly, PV-10 estimates for price sensitivities are not adjusted for the likelihood that the relevant pricing scenario will occur, and thus they may be subject to the same issues with comparability. Nonetheless, we believe that PV-10 estimates for reserve categories other than proved or for pricing sensitivities present useful information for investors about the future net cash flows of our reserves in the absence of a comparable GAAP measure such as standardized measure. 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. Investors should be cautioned that PV-10 does not represent an estimate of the fair market value of our reserves. In addition, investors should be further cautioned that estimates of PV-10 of probable reserves, as well as the underlying volumetric estimates, are inherently more uncertain of being recovered and realized than comparable measures for proved reserves, and that the uncertainty for possible reserves is even more significant. Further, because estimates of proved and probable reserve volumes and PV-10 have not been adjusted for risk due to this uncertainty of recovery, they should not be summed arithmetically with each other or with comparable estimates for proved reserves. GAAP does not prescribe any corresponding measure for PV-10 of reserves based on other than SEC prices. As a result, it is not practicable for us to reconcile these additional PV-10 measures to GAAP standardized measure.
- (4) All of our estimated probable and possible reserves are classified as undeveloped.

For more information about our reserves, including the reserves attributable to individual natural gas product types and the prices used in calculating volumes and values under each pricing scenario, see "Business—Our Operations—Reserve Data."

Operating Data

The following table provides a summary of our net acreage and identified potential well locations as of June 30, 2013, our 2013 and 2014 projected drilling schedules based on gross wells, and our average net daily production for August 2013:

	As of June 30, 2013					2013 Projected Drilling Schedule (Gross Wells)	Planned 2014 Drilling Schedule (Gross Wells)	Average Net Daily Production (MMcfe/d)
	Net Acres(1)	Identified Potential Well Locations(2)			Total			
		Proved Undeveloped	Probable	Possible				
Marcellus Shale:								
Highly Rich/Condensate(3)	48,000	505	18	454	33	4	21	16
Highly Rich Gas(3)	89,000	777	116	653	8	51	54	149
Rich Gas(3)	77,000	673	276	396	1	75	75	188
Dry Gas(3)	106,000	986	277	530	179	5	—	192
Utica Shale	100,000	720	17	175	528	26	47	45
Upper Devonian Shale	170,000	915	7	149	759	—	—	4
Total		4,576	711	2,357	1,508	161	197	594

- (1) Net acres prospective for the Upper Devonian Shale are also included among the Marcellus Shale net acres. The Upper Devonian Shale and the Marcellus Shale are stacked formations within the same geographic footprint.
- (2) Our proved undeveloped, probable and possible identified potential well locations are based on specifically engineered locations to which the applicable category of reserves were attributable based on SEC pricing as of June 30, 2013. For a description of how we determine our identified potential well locations, see "Business—Our Operations—Reserve Data—Identification of Potential Well Locations."
- (3) Classifications are based on our and other operators' drilling results in the Marcellus Shale and are subject to confirmation through actual future drilling results. For definitions of "highly rich/condensate," "highly rich gas," "rich gas" and "dry gas," see the "Glossary of Natural Gas and Oil Terms" in Annex A to this prospectus.

Recent Operating Developments

Our estimated current net daily production is 640 MMcfe/d, including 12,519 Bbls/d of NGLs and oil. Our estimated current net daily production in the Marcellus Shale is 555 MMcfe/d, including 7,618 Bbls/d of NGLs and oil, and our estimated current net daily production in the Utica Shale is 85 MMcfe/d, including 4,901 Bbls/d of NGLs and oil. Current net daily production represents the average net daily production for the period from September 1, 2013 through September 14, 2013.

Midstream Infrastructure

We maintain a strong commitment to developing the necessary midstream infrastructure to support our drilling schedule and production growth. We accomplish this goal through a combination of internal asset developments and contractual relationships with third-party midstream service providers. As part of our internal developments, we have invested a significant amount of capital in building low- and high-pressure gathering lines, compression facilities and water pipeline systems. We currently own and operate 103 miles of gathering pipelines and have contracted access to an additional 94 miles of gathering pipelines in the Marcellus and Utica Shales. We also own and operate four compressor stations and have firm access to nine additional third-party compressor stations in the Appalachian

Basin. We have additional gathering pipelines and compressor stations under construction to support our planned drilling activities in the Marcellus and Utica Shales. In the past we have monetized certain midstream infrastructure assets for a significant return on investment and redeployed the proceeds into our ongoing operations.

Through third-party contractual relationships, we have obtained committed cryogenic processing capacity for our Marcellus and Utica Shale production. For example, we have contracted with MarkWest Energy Partners, L.P., or MarkWest, to provide processing capacity as follows:

	Plant Processing Capacity (MMcf/d)	Contracted Firm Processing Capacity (MMcf/d)(1)	Anticipated Date of Completion
Marcellus Shale:			
Sherwood I	200	200	In service
Sherwood II	200	200	In service
Sherwood III	200	150	Fourth Quarter 2013
Sherwood IV	200	200	Second Quarter 2014
Marcellus Shale Total	800	750	
Utica Shale:			
Cadiz(2)	185	—	In service
Seneca I	200	200	Fourth Quarter 2013
Seneca II(3)	200	—	Fourth Quarter 2013
Seneca III(4)	200	100	First Quarter 2014
Utica Shale Total	785	300	

- (1) Contracted firm capacity at the Sherwood and Seneca facilities as of the start-up date of each identified unit.
- (2) Firm interim capacity of 80 MMcf/d at Cadiz will be fixed at 50 MMcf/d capacity upon start-up of the Seneca I processing complex and will terminate upon start-up of the Seneca II processing complex.
- (3) We have 50 MMcf/d of interim capacity at the Seneca II processing facility until July 1, 2014.
- (4) Remaining 100 MMcf/d of capacity at the Seneca III processing complex is available for commitment at our option.

Our midstream infrastructure also includes two independent fresh water sourcing and delivery systems for well completion operations in our Marcellus and Utica Shale operating areas. These systems consist of permanent buried pipelines, temporary surface pipelines and fresh water storage facilities, as well as pumping stations to transport the fresh water throughout the pipeline networks. Current cost estimates for both the Marcellus and Utica projects are anticipated to total \$525 million through 2023. The capital expenditures are estimated to be \$250 million in 2013. The water pipeline systems are expected to deliver a reliable year-round water supply, lessen water handling costs and significantly decrease water truck traffic and associated road damage on state, county and municipal roadways. It is estimated that these water pipeline systems will reduce our well completion costs by up to \$600,000 per well, and we anticipate that over 30% of our 2013 completed wells and up to 90% of our 2014 completed wells will utilize these new infrastructures. Assuming a 7,000 foot horizontal well lateral, it is estimated that 1,850 water truckload trips per well completion will be eliminated from roadways.

We also have contracted 1,300,000 MMBtu/d of long-haul firm transportation or firm sales capacity on various pipelines and 20,000 Bbl/d of committed ethane takeaway capacity to accommodate our growing production and manage basis differentials.

We will continue to invest significantly in our midstream infrastructure, as it allows us to optimize our processing and takeaway capacity to support our expected rapid production growth, affords us more control over the direction and planning of our drilling schedule and has historically created significant value for our equity owners. In 2013, we estimate we will spend a total of approximately \$600 million on midstream infrastructure.

In addition, we believe that our midstream assets may be well suited for a master limited partnership ("MLP") or similar structure. Accordingly, following the closing of this offering, we intend to contribute our midstream assets to Antero Resources Midstream LLC, or Antero Midstream, a subsidiary formed to hold our midstream business, and enter into commercial arrangements for midstream services with them. We will initially own all of the membership interests in Antero Midstream other than a special membership interest, which will be indirectly owned by Antero Investment. The special membership interest in Antero Midstream will provide Antero Investment with certain rights, including the right to cause an initial public offering of Antero Midstream as a MLP or similar structure. Following any such initial public offering, the special membership interest will convert into a general partner interest and incentive distribution rights in the MLP, which will allow Antero Investment to manage Antero Midstream's business and affairs. We may also seek opportunities to finance our midstream business on a stand-alone basis. See "Certain Relationships and Related Party Transactions—Antero Midstream" and "Corporate Reorganization."

Business Strengths

Our objective is to build shareholder value through growth in reserves, production and cash flows by developing and expanding our portfolio of low-risk, high-return drilling locations and ensuring timely development of processing and pipeline takeaway capacity. We believe that the following strengths will allow us to successfully execute our business strategies:

- *Large, stable operated position in the core of the Marcellus and Utica Shales.* We own extensive and contiguous land positions in the core areas of two of the premier North American shale plays. We believe our approximately 329,000 net acres in the southwestern core of the Marcellus Shale and our 102,000 net acres in the Utica Shale are characterized by consistent and predictable geology. However, 92% of this acreage is currently undeveloped or does not include wells that have been drilled or completed to a point of producing commercially viable quantities. Approximately 52% of our Marcellus acreage and 20% of our Utica acreage was held by production at June 30, 2013, while an additional 27% and 78%, respectively, does not expire for five years or more. However, 48% and 80% of our natural gas leases related to our Marcellus and Utica acreage, respectively, require us to drill wells that are commercially productive by the end of the primary term, and if we are unsuccessful in drilling such wells, we could lose our rights under such leases. As of June 30, 2013, all of our total aggregate proved, probable and possible reserves were attributable to properties that we operate.
- *Multi-year, low-risk drilling inventory.* Our drilling inventory at June 30, 2013 consisted of 4,576 identified potential horizontal well locations on our existing leasehold acreage. We believe that we and other operators in the area have substantially delineated and de-risked our large contiguous acreage position in the southwestern core of the Marcellus Shale. We have drilled and completed 199 wells on our Marcellus Shale acreage with a success rate of 100%. We have drilled and completed 11 horizontal wells in the core of the Utica Shale with a 100% success rate.

- *Exposure to large resource of liquids-rich gas and condensate.* Approximately 64% of our 4,576 identified potential horizontal well locations as of June 30, 2013 target the liquids-rich gas regions of the Marcellus and Utica Shales. The gas content of this liquids-rich gas allows for NGL processing that, coupled with the condensate, can significantly improve well economics. This exposure to a range of liquids contents allows us to optimize our drilling economics across a portfolio of liquids-rich gas locations in order to take advantage of the existing commodity price environment.
- *Low-cost leader.* We are a low-cost leader in the U.S. Our ability to drill consistently long laterals, averaging over 7,000 lateral feet, helps us to reduce costs on a per-lateral-foot basis, which is a key competitive advantage. The contiguous nature of our leasehold and the lack of geologic complexity are critical to our ability to drill long laterals. Additionally, since June 2013, we have shortened our average frac stage lengths on many of our Marcellus Shale wells from 350 feet per stage historically to 150 to 250 feet per stage. Initial well results have shown increases in 24-hour initial production rates of 25% to 35% when compared to similar wells within the same geographic area. In addition, we estimate that the incremental costs attributable to the short stage lengths has averaged an estimated \$1.5 million to \$2.0 million per well. We have implemented operational efficiencies to continue lowering our costs, such as (i) pad drilling, (ii) development of an extensive water pipeline system, (iii) the use of less expensive, shallow vertical drilling rigs to drill to the kick-off point of the horizontal wellbore, (iv) the use of natural gas powered rigs and (v) our proactive approach to meeting our gathering, processing and compression infrastructure needs.
- *Access to committed processing, compression and takeaway capacity in the Marcellus and Utica Shales.* We have contracted a total of 750 MMcf/d of processing capacity in the Marcellus Shale, 400 MMcf/d of which is currently in service. Similarly, we have 300 MMcf/d of contracted processing capacity in the Utica Shale, with the option to access additional capacity. We also have secured 1,300,000 MMBtu/d of long-haul firm transportation capacity or firm sales and have committed to 20,000 Bbl/d of ethane takeaway capacity. We believe our commitment to midstream infrastructure allows us to commercialize our production more quickly at optimal prices, making us a logical consolidator of additional acreage in our core areas.
- *Financial strength and flexibility.* As of June 30, 2013, after giving effect to this offering and the application of the net proceeds therefrom, we expect to have approximately \$ million of available borrowing capacity under our credit facility (after deducting \$32 million outstanding letters of credit). After the completion of this offering and the recent increase in lender commitments under our credit facility, together with our operating cash flow and hedging program, we believe we will have the financial flexibility to pursue our currently planned 2013 and 2014 development and delineation drilling activities.
- *Proven and incentivized executive and technical teams.* We believe our management team's experience and expertise across multiple resource plays provides a distinct competitive advantage. Our officers have an average of over 30 years of industry experience in the Rocky Mountain, Midcontinent and Appalachian operating regions and have successfully built, grown and sold two unconventional resource-focused upstream companies and one midstream company in the past 15 years. Additionally, our technical team has drilled over 450 horizontal wells in the Barnett, Woodford, Marcellus and Utica Shales over the past ten years. Our management team has a significant economic interest in us through their interest in our controlling stockholder, Antero Resources Investment LLC, or Antero Investment. Management's percentage interest in our stock held by Antero Investment may increase over time, without diluting public investors, if our stock price appreciates following this offering. We believe our management team's ability to increase their economic interest in us provides significant incentives to grow our stock price for the benefit of all stockholders.

Business Strategy

Our strategy consists of the following principal elements:

- *Create shareholder value through the development of our extensive drilling inventory.* Since initiating our drilling program with one rig in 2009, we have invested over \$3.2 billion in land and drilling in the Appalachian Basin and currently intend to use an average of 17 rigs in 2013. With 15 rigs running in the Marcellus Shale, we are currently the most active driller in the area based on information from RigData. We intend to dedicate substantially all of our \$1.45 billion drilling and completion budget in 2013 to develop our liquids-rich areas. Approximately 85% of the 2013 drilling and completion budget is allocated to the Marcellus Shale, and the remaining 15% is allocated to the Utica Shale.
- *Enhance returns through a focus on optimizing full cycle economics.* We continually monitor and adjust our drilling program with the objective of achieving the highest total returns on our portfolio of drilling opportunities. We believe that we will achieve this objective by (i) minimizing the capital costs of drilling and completing horizontal wells, (ii) maximizing well production and recoveries by optimizing lateral length, the number of frac stages, perforation intervals and the type of fracture stimulation employed, (iii) targeting specific BTU windows within our leasehold position to optimize our hydrocarbon mix based on the existing commodity price environment, (iv) minimizing operating costs through efficient well management, and (v) pursuing infrastructure initiatives, such as the development of our extensive water pipeline system and gas gathering system.
- *Maximize wellhead economics by ensuring timely development of processing and pipeline takeaway capacity and the marketing of our NGLs.* We expect to continue to meaningfully increase our liquids production from the NGLs, oil and condensate associated with our growing natural gas production. We endeavor to ensure that we have sufficient processing capacity in place to recover NGLs when economically desirable. We have also secured long-term firm takeaway capacity and firm sales on major pipelines that are in existence or currently under construction in our core operating areas to accommodate our growing production and to manage basis differentials. Further, we plan to maximize the value of our NGLs through processing and marketing agreements with transporters and NGL end users.
- *Continue growing our core acreage position through leasing and strategic acquisitions.* We intend to continue identifying and acquiring additional acreage and producing assets in our core areas in the Marcellus and Utica Shales. We believe that by managing a large team of dedicated landmen, we have a competitive advantage that enables us to continue to opportunistically add acreage to our core positions. This team of landmen has allowed us to build a large, contiguous acreage position in our Marcellus and Utica Shale plays, making us the logical acreage consolidator in our core areas. We initially targeted and acquired 114,000 net acres in the Marcellus Shale in 2008, based on specific geologic and technical analysis, and have selectively built our position to approximately 329,000 net acres. We started building our targeted Utica Shale acreage position in the fourth quarter of 2011 and currently have approximately 102,000 net acres of leasehold in the core of the liquids-rich window in Ohio.
- *Manage commodity price exposure through an active hedging program to protect our expected future cash flows.* We expect to continue to maintain an active hedging program designed to mitigate volatility in commodity prices and regional basis differentials and to protect our expected future cash flows. As of June 30, 2013, we had entered into hedging contracts through December 31, 2018 covering a total of approximately 943 Bcfe of our projected natural gas and oil production at a weighted average price of \$4.80 per Mcfe. These hedging contracts include hedges for the six-month period ending December 31, 2013 covering a total of approximately 84 Bcfe of our

projected natural gas and oil production at a weighted average price of \$4.68 per Mcfe. This hedging program has led to over \$650 million in realized gains over the past five years.

Risk Factors

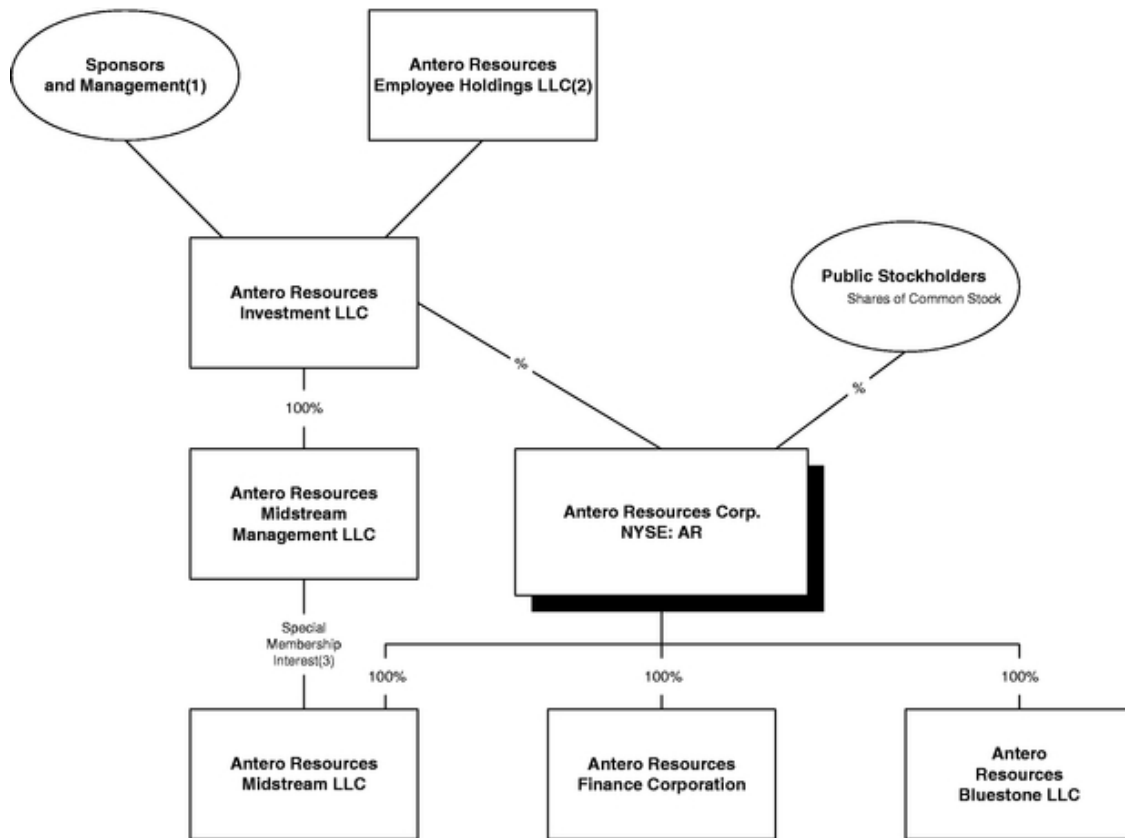
An investment in our common stock involves a number of risks. You should carefully consider, in addition to the other information contained in this prospectus, the risks described in "Risk Factors" before investing in our common stock. These risks could materially affect our business, financial condition and results of operations, and cause the trading price of our common stock to decline. You could lose part or all of your investment. You should bear in mind, in reviewing this prospectus, that past experience is no indication of future performance. You should read the section titled "Cautionary Statement Regarding Forward-Looking Statements" for a discussion of what types of statements are forward-looking statements, as well as the significance of such statements in the context of this prospectus.

Corporate Reorganization

Antero Resources LLC was formed in October 2009 by members of our management team and the Sponsors, as defined below. Antero Resources Appalachian Corporation, a wholly owned subsidiary of Antero Resources LLC, was formed in March 2008 and renamed Antero Resources Corporation in June 2013. Pursuant to the terms of a corporate reorganization, which will be completed immediately prior to or contemporaneously with the closing of this offering, (i) all of the outstanding interests of our existing owners in Antero Resources LLC will be exchanged for similar interests in Antero Resources Investment LLC, or Antero Investment, and (ii) Antero Resources LLC will be merged into Antero Resources Corporation.

In addition, we intend to transfer our midstream business to Antero Resources Midstream LLC, or Antero Midstream, following the closing of this offering. We will initially own all of the membership interests in Antero Midstream other than a special membership interest, which will be indirectly owned by Antero Investment. The special membership interest in Antero Midstream will provide Antero Investment with certain rights, including the right to cause an initial public offering of Antero Midstream as a MLP or similar structure. Following any such initial public offering, the special membership interest will convert into a general partner interest in the MLP, which will allow Antero Investment to manage Antero Midstream's business and affairs. Following any such initial public offering, Antero Investment will also hold incentive distribution rights in the MLP, which will represent the right to receive an increasing percentage of the MLP's quarterly cash distributions in excess of specified target distribution levels. See "Certain Relationships and Related Party Transactions—Antero Midstream" and "Corporate Reorganization."

The following diagram indicates our ownership structure after giving effect to our corporate reorganization and assuming no exercise of the underwriters' options to purchase additional shares. See "Corporate Reorganization" for more information regarding our corporate reorganization.



- (1) Includes each of our Sponsors and certain members of our management team who have made investments in Antero Investment in exchange for investment units. For information on the entities and individuals who may be deemed to control the Sponsors and for a list of our management team (all of whom hold interests in Antero Investment), see "Principal and Selling Stockholders."
- (2) Holds profits interests in Antero Investment on behalf of members of our management team and other employees. All of the membership interests in Antero Resources Employee Holdings LLC are held by our employees. The compensation committee of Antero Investment has voting and control rights over the shares held by Antero Resources Employee Holdings LLC.
- (3) Represents an interest that provides Antero Investment with certain rights, including the right to cause an initial public offering of Antero Midstream as a MLP or similar structure. Following any such initial public offering, this special membership interest will convert into a general partner interest in the MLP, which will allow Antero Investment to manage Antero Midstream's business and affairs. Following any such initial public offering, Antero Investment will also hold incentive distribution rights in the MLP, which will represent the right to receive an increasing percentage of the MLP's quarterly cash distributions in excess of specified target distribution levels. See "Certain Relationships and Related Party Transactions—Antero Midstream."

Our Principal Stockholders

Following the completion of this offering and our corporate reorganization, Antero Investment will directly own % of our common stock, or % if the underwriters' options to purchase additional shares from us and Antero Investment are exercised in full. Antero Investment is primarily owned by investment funds affiliated with or managed by Warburg Pincus LLC, Yorktown Partners LLC and Trilantic Capital Partners, or collectively, the Sponsors, and certain members of our management. See "Principal and Selling Stockholders" and "Corporate Reorganization—Limited Liability Company Agreement of Antero Investment."

Warburg Pincus LLC is a leading global private equity firm focused on growth investing. The firm has more than \$40 billion in assets under management. Its active portfolio of more than 125 companies is highly diversified by stage, sector and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 13 private equity funds which have invested more than \$45 billion in over 675 companies in more than 35 countries. Since the late 1980s, Warburg Pincus has invested more than \$6 billion in energy and natural resources companies around the world. In addition to Antero Resources LLC, notable energy investments for which the firm was lead founding investor include Bill Barrett Corporation (NYSE: BBG), Encore Acquisition Company (NYSE: EAC, since acquired by Denbury Resources), Kosmos Energy Ltd. (NYSE: KOS), Laredo Petroleum Holdings, Inc. (NYSE: LPI), MEG Energy (TSX: MEG), Newfield Exploration (NYSE: NFX), Spinnaker Exploration (NYSE: SKE, since acquired by Norsk Hydro/Statoil) and Targa Resources (NYSE: NGLS, TRGP). The firm is headquartered in New York with offices in Amsterdam, Beijing, Frankfurt, Hong Kong, London, Luxembourg, Mumbai, Port Louis, San Francisco, Sao Paulo and Shanghai.

Yorktown Partners LLC is a private investment manager investing exclusively in the energy industry with an emphasis on North American oil and gas production, and midstream businesses. Yorktown has raised 10 private equity funds totaling over \$6.5 billion. Yorktown's investors include university endowments, foundations, families, insurance companies, and other institutional investors. The firm is headquartered in New York.

Trilantic Capital Partners is a global private equity firm focused on control and significant minority investments in North America and Europe with primary investment focus in the business services, consumer, energy and financial sectors. The firm currently manages four institutional private equity funds with aggregate capital commitments of \$5.7 billion. Trilantic has offices in New York, London, Guernsey and Luxembourg.

Emerging Growth Company Status

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act, or the JOBS Act. For as long as we are an emerging growth company, unlike other public companies, we will not be required to:

- provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002;
- comply with any new requirements adopted by the Public Company Accounting Oversight Board, or the PCAOB, requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer;
- comply with any new audit rules adopted by the PCAOB after April 5, 2012, unless the Securities and Exchange Commission, or the SEC, determines otherwise;

- provide certain disclosure regarding executive compensation required of larger public companies; or
- obtain shareholder approval of any golden parachute payments not previously approved.

We will cease to be an "emerging growth company" upon the earliest of:

- the last day of the fiscal year in which we have \$1.0 billion or more in annual revenues;
- the date on which we become a large accelerated filer;
- the date on which we issue more than \$1.0 billion of non-convertible debt over a three-year period; or
- the last day of the fiscal year following the fifth anniversary of our initial public offering.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards, but we intend to irrevocably opt out of the extended transition period.

Corporate Information

Our principal executive offices are located at 1625 17th Street, Denver, Colorado 80202, and our telephone number at that address is (303) 357-7310. Our website is located at *www.anteroresources.com*. We expect to make our periodic reports and other information filed with or furnished to the SEC available free of charge through our website as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference herein and does not constitute a part of this prospectus.

The Offering

Common stock offered by us	shares.
Common stock to be outstanding after the offering	shares.
Option to purchase additional shares from the selling stockholder	The selling stockholder has granted the underwriters a 30-day option to purchase up to an aggregate of additional shares of our common stock held by the selling stockholder to cover over-allotments.
Option to purchase additional shares from us	<p>We have granted the underwriters a 30-day option to purchase up to an aggregate of additional shares of our common stock from us if the underwriters sell more than an aggregate of shares of common stock (including the shares purchased from the selling stockholder) to cover over-allotments.</p> <p>Any exercise by the underwriters of their options to purchase additional shares of common stock will be made initially with respect to the additional shares of common stock to be sold by the selling stockholder and then with respect to the additional shares of common stock to be sold by us.</p>
Use of proceeds	<p>We expect to receive approximately \$ of net proceeds from the sale of the common stock offered by us after deducting underwriting discounts and commissions and estimated offering expenses payable by us.</p> <p>We intend to use the net proceeds from this offering, including any proceeds received pursuant to any exercise by the underwriters of their option to purchase additional shares of our common stock from us, to repay outstanding borrowings under our credit facility.</p> <p>We will not receive any of the proceeds from the sale of shares of our common stock by the selling stockholder pursuant to any exercise by the underwriters of their option to purchase additional shares of our common stock from the selling stockholder.</p> <p>Affiliates of certain of the underwriters are lenders under our credit facility and, accordingly, will receive a portion of the proceeds of this offering. See "Underwriting (Conflicts of Interest)."</p>

Conflicts of interest	<p>Because affiliates of Barclays Capital Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Wells Fargo Securities, LLC, Credit Suisse Securities (USA) LLC, BMO Capital Markets Corp., Capital One Securities, Inc., Comerica Securities, Inc. and Mitsubishi UFJ Securities (USA), Inc. are lenders under our credit facility and will each receive more than 5% of the net proceeds of this offering due to the repayment of borrowings under the credit facility, such underwriters are deemed to have a conflict of interest within the meaning of Rule 5121 of the Financial Industry Regulatory Authority, or FINRA. Accordingly, this offering will be conducted in accordance with Rule 5121, which requires, among other things, that a "qualified independent underwriter" has participated in the preparation of, and has exercised the usual standards of "due diligence" with respect to, the registration statement and this prospectus. Jefferies LLC has agreed to act as qualified independent underwriter for this offering and to undertake the legal responsibilities and liabilities of an underwriter under the Securities Act, specifically including those inherent in Section 11 of the Securities Act. Jefferies LLC will not receive any additional fees for serving as qualified independent underwriter in connection with this offering. We have agreed to indemnify Jefferies LLC against liabilities incurred in connection with acting as a qualified independent underwriter, including liabilities under the Securities Act. See "Underwriting (Conflicts of Interest)."</p>
Dividend policy	<p>We do not anticipate paying any cash dividends on our common stock. In addition, our credit facility and the indentures governing our senior notes place certain restrictions on our ability to pay cash dividends.</p>
Risk factors	<p>You should carefully read and consider the information set forth under the heading "Risk Factors" and all other information set forth in this prospectus before deciding to invest in our common stock.</p>
Listing and trading symbol	<p>We have been approved to list our common stock on the New York Stock Exchange, or the NYSE, under the symbol "AR".</p>
<p>The information above excludes _____ shares of common stock reserved for issuance under our 2013 Long-Term Incentive Plan, or the LTIP, that we intend to adopt in connection with the completion of this offering.</p>	

Summary Historical Consolidated Financial Data

The following table shows our summary historical consolidated financial data, for the periods and as of the dates indicated, for Antero Resources LLC and its subsidiaries.

The summary statement of operations data for the years ended December 31, 2010, 2011 and 2012 and the balance sheet data as of December 31, 2011 and 2012 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The balance sheet data as of December 31, 2010 is derived from our audited consolidated financial statements not included in this prospectus. The summary statement of operations data for the three and six months ended June 30, 2012 and 2013 and the balance sheet data as of June 30, 2013 are derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The balance sheet data as of June 30, 2012 is derived from our unaudited consolidated financial statements not included in this prospectus.

The statement of operations data for all periods presented has been recast to present the results of operations from our Piceance Basin and Arkoma Basin operations in discontinued operations. The losses on the sales of these properties are also included in discontinued operations in 2012. The results from continuing operations reflect our remaining operations in the Appalachian Basin. No part of our general and administrative expenses or interest expense was allocated to discontinued operations.

The summary historical consolidated financial data has been prepared on a consistent basis with our audited consolidated financial statements. In the opinion of management, such summary historical consolidated 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 summary financial data presented below are qualified in their entirety by reference to, and should be read in conjunction with, "Capitalization," "Management's Discussion and

Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere herein.

	Year Ended December 31,			Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2011	2012	2012	2013	2012	2013
(in thousands)							
Statement of operations data:							
Operating revenues:							
Natural gas, NGLs and oil production revenues	\$ 47,431	\$ 195,289	\$ 264,982	\$ 44,965	\$ 191,661	\$ 90,147	\$ 325,056
Realized gains on commodity derivative instruments	15,063	49,944	178,491	49,864	14,146	96,716	62,277
Unrealized gains (losses) on commodity derivative instruments	62,536	446,120	1,055	(55,904)	181,337	114,498	61,265
Gain on sale of assets	—	—	291,190	—	—	291,305	—
Total revenues	125,030	691,353	735,718	38,925	387,144	592,666	448,598
Operating expenses:							
Lease operating expenses	1,158	4,608	6,243	1,866	1,454	2,559	2,525
Gathering, compression, processing and transportation	9,237	37,315	91,094	20,079	48,670	31,654	89,640
Production taxes	2,885	11,915	20,210	3,371	10,108	7,113	18,727
Exploration expenses	2,350	4,034	14,675	2,952	7,300	4,756	11,662
Impairment of unproved properties	6,076	4,664	12,070	1,295	4,803	1,581	6,359
Depletion, depreciation and amortization	18,522	55,716	102,026	22,321	52,589	38,431	92,953
Accretion of asset retirement obligations	11	76	101	24	267	46	531
Expenses related to acquisition of business	2,544	—	—	—	—	—	—
General and administrative	21,952	33,342	45,284	10,473	13,567	19,646	26,284
Loss on sale of compressor station	—	8,700	—	—	—	—	—
Total operating expenses	64,735	160,370	291,703	62,381	138,758	105,786	248,681
Operating income (loss)	60,295	530,983	444,015	(23,456)	248,386	486,880	199,917
Other expense:							
Interest expense	\$ (56,463)	\$ (74,404)	\$ (97,510)	\$ (24,223)	\$ (33,468)	\$ (48,593)	\$ (63,396)
Realized and unrealized losses on interest derivative instruments, net	(2,677)	(94)	—	—	—	—	—
Total other expense	(59,140)	(74,498)	(97,510)	(24,223)	(33,468)	(48,593)	(63,396)
Income (loss) before income taxes and discontinued operations	1,155	456,485	346,505	(47,679)	214,918	438,287	136,521
Income tax (expense) benefit	(939)	(185,297)	(121,229)	14,442	(83,725)	(183,969)	(53,325)
Income (loss) from continuing operations	216	271,188	225,276	(33,237)	131,193	254,318	83,196
Discontinued operations:							
Income (loss) from results of operations and sale of discontinued operations	228,412	121,490	(510,345)	(444,850)	—	(404,674)	—
Net income (loss) attributable to Antero equity owners	\$ 228,628	\$ 392,678	\$ (285,069)	\$ (478,087)	\$ 131,193	\$ (150,356)	\$ 83,196
Balance sheet data (at period end):							
Cash and cash equivalents	\$ 8,988	\$ 3,343	\$ 18,989	\$ 5,575	\$ 10,867	\$ 5,575	\$ 10,867
Property and equipment, net	2,159,762	2,880,414	2,937,473	2,678,800	4,074,634	2,678,800	4,074,634
Total assets	2,486,287	3,788,800	3,618,793	3,586,082	4,825,148	3,586,082	4,825,148
Long-term indebtedness	652,632	1,317,330	1,444,058	1,042,172	2,148,217	1,042,172	2,418,217
Total equity	1,594,987	1,958,806	1,673,737	1,808,450	1,756,933	1,808,450	1,756,933
Other financial data:							
EBITDAX from continuing operations(1)	\$ 27,824	\$ 160,259	\$ 284,710	\$ 60,236	\$ 132,608	\$ 127,887	\$ 251,357
EBITDAX from discontinued operations(1)	169,854	180,562	149,605	46,003	—	100,692	—
Total EBITDAX(1)	\$ 197,678	\$ 340,821	\$ 434,315	\$ 106,239	\$ 132,608	\$ 228,579	\$ 251,357
Net cash provided by operating activities	127,791	266,307	332,255	60,493	82,190	160,984	192,397
Net cash provided by (used in) investing activities	(230,672)	(901,249)	(463,491)	(8,372)	(630,523)	116,327	(1,178,408)
Net cash provided by (used in) financing activities	101,200	629,297	146,882	(53,039)	554,394	(275,079)	977,889
Capital expenditures(2)	423,002	929,887	1,755,430	466,570	597,938	726,262	1,236,434

(1) "EBITDAX" is a non-GAAP financial measure that we define as net income (loss) before interest expense or interest income, gains or losses on interest rate derivative instruments, taxes, impairments, depletion, depreciation, amortization, exploration expense, changes in fair value of unsettled commodity derivative instruments, franchise taxes, stock

compensation, business acquisition and gain or loss on sale of assets. "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 may be required for debt service, capital expenditures, working capital, income taxes, franchise taxes, exploration expenses, and other commitments and obligations. However, our management team believes EBITDAX is useful to an investor in evaluating our financial performance because this measure:

- is widely used by investors in the oil and natural gas 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 covenants under our credit facility and the indentures governing our senior 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 (loss) from continuing operations to EBITDAX from continuing operations, a reconciliation of our net income (loss) from discontinued operations to

EBITDAX from discontinued operations, and a reconciliation of our total EBITDAX to net cash provided by operating activities per our consolidated statements of cash flows, in each case for the periods presented:

	Year Ended December 31,			Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2011	2012	2012	2013	2012	2013
	(in thousands)						
Net income (loss) from continuing operations	\$ 216	\$ 271,188	\$ 225,276	\$ (33,237)	\$ 131,193	\$ 254,318	\$ 83,196
Unrealized (gains) losses on commodity derivative contracts	(62,536)	(446,120)	(1,055)	55,904	(181,337)	(114,498)	(61,265)
(Gain) loss on sale of assets	—	8,700	(291,190)	—	—	(291,305)	—
Interest expense and other	59,140	74,498	97,510	24,223	33,468	48,593	63,396
Provision (benefit) for income taxes	939	185,297	121,229	(14,442)	83,725	183,969	53,325
Depreciation, depletion, amortization, and accretion	18,533	55,792	102,127	22,345	52,856	38,477	93,484
Impairment of unproved properties	6,076	4,664	12,070	1,295	4,803	1,581	6,359
Exploration expense	2,350	4,034	14,675	2,952	7,300	4,756	11,662
Other	3,106	2,206	4,068	1,196	600	1,996	1,200
EBITDAX from continuing operations	27,824	160,259	284,710	60,236	132,608	127,887	251,357
Net income (loss) from discontinued operations	228,412	121,490	(510,345)	(444,850)	—	(404,674)	—
Unrealized (gains) losses on commodity derivative contracts	(108,035)	(113,476)	45,808	33,197	—	636	—
(Gain) loss on sale of assets	(147,559)	—	795,945	427,232	—	427,232	—
Provision (benefit) for income taxes	29,070	45,155	(272,553)	(1,717)	—	12,727	—
Depreciation, depletion, amortization, and accretion	115,739	115,164	89,124	31,698	—	63,366	—
Impairment of unproved properties	29,783	6,387	962	243	—	993	—
Exploration expense	22,444	5,842	664	200	—	412	—
EBITDAX from discontinued operations	169,854	180,562	149,605	46,003	—	100,692	—
Total EBITDAX	\$ 197,678	\$ 340,821	\$ 434,315	\$ 106,239	\$ 132,608	\$ 228,579	\$ 251,357
Interest expense and other	(59,140)	(74,498)	(97,510)	(24,223)	(33,468)	(48,593)	(63,396)
Exploration expense	(24,794)	(9,876)	(15,339)	(3,152)	(7,300)	(5,168)	(11,662)
Changes in current assets and current liabilities	(698)	8,309	9,887	(16,654)	(10,238)	4,040	14,723
Other	14,745	1,551	902	(1,717)	588	(17,874)	1,375
Net cash provided by operating activities	\$ 127,791	\$ 266,307	\$ 332,255	\$ 60,493	\$ 82,190	\$ 160,984	\$ 192,397

- (2) Capital expenditures as shown in this table differ from the amounts shown in the statement of cash flows in the consolidated 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.

Summary Reserve, Production and Operating Data

Summary Reserve Data

The following table summarizes our estimated proved reserves and related standardized measure and PV-10 at December 31, 2010, 2011 and 2012 and June 30, 2013 based on SEC pricing (and not giving effect to any pricing sensitivities). See "Business—Our Operations—Reserve Data" for an illustration of the sensitivity of our estimated reserves and related PV-10 to changes in product price levels.

Our estimated proved reserves and PV-10 as of December 31, 2012 and June 30, 2013 are based on evaluations prepared by our internal reserve engineers, which have been audited by our independent reserve engineers, DeGolyer and MacNaughton, or D&M. Our estimated proved reserves as of December 31, 2011 were based on evaluations prepared by our internal reserve engineers, which were audited by D&M and Ryder Scott & Company, or Ryder Scott. Over 99% and 85% of our estimated proved, probable and possible reserves as of June 30, 2013 and December 31, 2012, respectively, were audited by D&M. Over 85% of our estimated proved reserves as of December 31, 2011 were audited by D&M or Ryder Scott. Over 99% of our estimated proved reserves as of December 31, 2010 were prepared by D&M or Ryder Scott. For each period presented, the specific percentage of our estimated reserves audited or prepared (as applicable) by D&M or Ryder Scott, which we collectively refer to as our independent reserve engineers, is disclosed in the summary report of D&M or Ryder Scott incorporated by reference into, or filed as an exhibit to, the registration statement of which this prospectus forms a part. See "Business—Our Operations—Reserve Data—Preparation of Reserve Estimates" for definitions of proved, probable and possible reserves and the technologies and economic data used in their estimation. See "—Our Properties—Reserves."

Our estimated proved reserves at December 31, 2010 and 2011 included reserves attributable to our Arkoma Basin and Piceance Basin assets that were sold during 2012. The information in the following table does not give any effect to or reflect our commodity hedges. In addition, the estimated proved reserves below assume ethane recovery as of December 31, 2010, 2011 and 2012 and ethane rejection as of June 30, 2013 on our liquids-rich natural gas. See "Business—Our Operations—Reserve Data" for more information about our reserves and pricing sensitivities.

	At December 31,			At June 30,
	2010	2011	2012	2013
Estimated proved reserves:				
Natural gas (Bcf)	2,543	3,931	3,694	5,724
NGLs (MMBbl)	104	164	203	88
Oil (MMBbl)	10	17	3	5
Total equivalent proved reserves (Bcfe)	3,231	5,017	4,929	6,282
Total equivalent proved developed reserves (Bcfe)	457	844	1,047	1,445
Percent proved developed	14%	17%	21%	23%
Total equivalent proved undeveloped reserves (Bcfe)	2,774	4,173	3,882	4,837
PV-10 of proved reserves (in millions)(1)	\$ 1,466	\$ 3,445	\$ 1,923	\$ 4,468
Standardized measure (in millions)(1)	\$ 1,097	\$ 2,470	\$ 1,601	*

- (1) PV-10 was prepared using SEC pricing, discounted at 10% per annum, without giving effect to taxes or hedges. PV-10 is 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 of future net cash flows, or after tax amount, because it presents the discounted future net cash flows attributable to our 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 a pricing methodology and discount factors that are consistent for all companies. Moreover, GAAP does not provide a measure of estimated future net cash flows for reserves other than proved reserves or for proved, probable or possible reserves calculated using prices other than SEC prices. PV-10 does not take into account the effect of future taxes, and PV-10 estimates for reserve categories other than proved or for pricing sensitivities uses the relevant reserve volumes and prices, as applicable, but PV-10 is otherwise calculated using the same assumptions as those for, and in a manner consistent with, the calculation of standardized measure. Because PV-10 estimates of probable and possible reserves are more uncertain than PV-10 and standardized measure of proved reserves, but have not been adjusted for risk due to that uncertainty, they may not be comparable with each other. Similarly, PV-10 estimates for price sensitivities are not adjusted for the likelihood that the relevant pricing scenario will occur, and thus they may be subject to the same issues with comparability. Nonetheless, we believe that PV-10 estimates for reserve categories other than proved or for pricing sensitivities present useful information for investors about the future net cash flows of our reserves in the absence of a comparable GAAP measure such as standardized measure. 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. Investors should be cautioned that neither PV-10 nor standardized measure represents an estimate of the fair market value of our proved reserves. In addition, investors should be further cautioned that estimates of PV-10 of probable reserves, as well as the underlying volumetric estimates, are inherently more uncertain of being recovered and realized than comparable measures for proved reserves, and that the uncertainty for possible reserves is even more significant. Further, because estimates of probable and possible reserve volumes and PV-10 have not been adjusted for risk due to this uncertainty of recovery, they should not be summed arithmetically with each other or with comparable estimates for proved reserves.

The following table sets forth the estimated future net cash flows from our proved reserves (without giving effect to our commodity hedges), the present value of those net cash flows before income tax (PV-10), the present value of those net cash flows after income tax (standardized measure) and the prices used in projecting future net cash flows at December 31, 2010, 2011 and 2012 and June 30, 2013:

(In millions, except per Mcf data)	At December 31,			At June 30,
	2010(a)	2011(b) (unaudited)	2012(c)	2013(d)
Future net cash flows	\$ 5,990	\$ 11,470	\$ 7,221	\$ 14,411
Present value of future net cash flows:				
Before income tax (PV-10)	\$ 1,466	\$ 3,445	\$ 1,923	\$ 4,468
Income taxes	(369)	(975)	(322)	*
After income tax (standardized measure)	\$ 1,097	\$ 2,470	\$ 1,601	*

- (a) 12-month average prices used at December 31, 2010 were \$4.18 per Mcf for the Arkoma Basin, \$3.93 per Mcf for the Piceance Basin and \$4.51 for the Appalachian Basin.
- (b) 12-month average prices used at December 31, 2011 were \$3.90 per Mcf for the Arkoma Basin, \$3.84 per Mcf for the Piceance Basin and \$4.16 per Mcf for the Appalachian Basin.
- (c) 12-month average prices used at December 31, 2012 were \$2.78 per Mcf for natural gas, \$26.36 per Bbl for NGLs and \$95.05 per Bbl for oil.
- (d) 12-month average prices used at June 30, 2013 were \$3.43 per Mcf for natural gas, \$45.66 per Bbl for NGLs and \$91.65 per Bbl for oil.

* With respect to PV-10 calculated as of an interim date, it is not practicable to calculate the taxes for the related interim period because GAAP does not provide for disclosure of standardized measure on an interim basis.

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). Prices for 2010, 2011, 2012, and 2013 were based on 12-month unweighted average of the first-day-of-the-month pricing, without escalation. Costs are based on costs in effect for the applicable year without escalation. There can be no assurance that the proved reserves will be produced as estimated or that the prices and costs will remain constant. There are numerous uncertainties inherent in estimating reserves and related information and different reserve engineers often arrive at different estimates for the same properties.

Production, Revenues and Price History

The following table sets forth information regarding our production, our revenues and realized prices, and production costs from continuing operations in the Appalachian Basin for the years ended December 31, 2010, 2011 and 2012 and for the three and six months ended June 30, 2012 and 2013. For additional information on price calculations, see information set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Continuing Operations Data—Appalachian Basin

	<u>Year Ended December 31,</u>			<u>Three Months</u>		<u>Six Months</u>	
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Ended June 30,</u>	<u>Ended June 30,</u>	<u>Ended June 30,</u>	<u>Ended June 30,</u>
				<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Production data:							
Natural gas (Bcf)	11	45	87	19	39	35	73
NGLs (MBbl)	—	—	71	—	354	—	559
Oil (MBbl)	—	2	19	4	25	4	35
Total combined production (Bcfe)	11	45	87	19	42	35	76
Average daily combined production (MMcfe/d)	30	124	239	213	458	195	421
Average sales prices:							
Natural gas (per Mcf)	\$ 4.39	\$ 4.33	\$ 2.99	\$ 2.31	\$ 4.37	\$ 2.53	\$ 4.05
NGLs (per Bbl)	\$ —	\$ —	\$ 52.07	\$ —	\$ 48.70	\$ —	\$ 49.75
Oil (per Bbl)	\$ —	\$ 97.19	\$ 80.34	\$ 77.16	\$ 85.07	\$ 80.05	\$ 85.36
Combined average sales prices before effects of hedges (per Mcfe)(1)	\$ 4.39	\$ 4.33	\$ 3.03	\$ 2.32	\$ 4.60	\$ 2.54	\$ 4.27
Combined average sales prices after effects of hedges (per Mcfe)(1)	\$ 5.78	\$ 5.44	\$ 5.08	\$ 4.90	\$ 4.94	\$ 5.26	\$ 5.09
Average costs per Mcfe:							
Lease operating costs	\$ 0.11	\$ 0.10	\$ 0.07	\$ 0.10	\$ 0.03	\$ 0.07	\$ 0.03
Gathering, compression, processing and transportation	\$ 0.85	\$ 0.83	\$ 1.04	\$ 1.04	\$ 1.17	\$ 0.89	\$ 1.18
Production taxes	\$ 0.27	\$ 0.26	\$ 0.23	\$ 0.17	\$ 0.24	\$ 0.20	\$ 0.25
Depreciation, depletion, amortization and accretion	\$ 1.71	\$ 1.24	\$ 1.17	\$ 1.15	\$ 1.27	\$ 1.08	\$ 1.23
General and administrative	\$ 2.03	\$ 0.74	\$ 0.52	\$ 0.54	\$ 0.33	\$ 0.55	\$ 0.35

(1) Average sales prices shown reflect both of the before and after effects of our realized commodity hedging transactions. Our calculation of such effects includes realized gains or losses on cash

settlements for commodity derivatives, which do not qualify for hedge accounting because we do not designate them as hedges.

Discontinued Operations Data—Arkoma and Piceance Basins

The table above does not include the following production or revenue from discontinued operations from the Arkoma and Piceance Basin properties which were sold in 2012:

	<u>Year Ended December 31,</u>		
	<u>2010</u>	<u>2011</u>	<u>2012</u>
Production (combined Bcfe)	36	44	35
Natural gas, NGL and oil production revenues (in millions)	\$ 159	\$ 197	\$ 125

RISK FACTORS

Investing in our common stock 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 making an investment decision. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment.

Risks Related to Our Business

Natural gas, NGL and oil prices are volatile. A substantial or extended decline in commodity 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, NGL and oil production heavily influence our revenue, profitability, access to capital and future rate of growth. Natural gas, NGLs and oil are commodities and, therefore, their prices are subject to wide fluctuations in response to relatively minor changes in supply and demand. Historically, the commodities market 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, NGLs and oil;
- the price and quantity of imports of foreign natural gas, including liquefied natural gas;
- political conditions in or affecting other producing countries, including conflicts in the Middle East, Africa, South America and Russia;
- the level of global exploration and production;
- the level of global inventories;
- prevailing prices on local 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 worldwide financial and credit crisis in recent years has reduced the availability of liquidity and credit to fund the continuation and expansion of industrial business operations worldwide resulting in a slowdown in economic activity and recession in parts of the world. This has reduced worldwide demand for energy and resulted in lower natural gas, NGL and oil prices.

Lower commodity 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 reserves as existing reserves are depleted. Lower commodity prices may also reduce the amount of natural gas, NGLs and oil that we can produce economically.

If commodity prices further decrease, a significant portion of our exploitation, development and exploration projects could become uneconomic. 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 commodity prices may materially and adversely affect our future business, financial condition, results of operations, liquidity or ability to finance planned capital expenditures.

Our exploitation, development and exploration 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 exploitation, development and acquisition of natural gas reserves. Our cash flow used in investing activities related to capital and exploration expenditures was approximately \$1.68 billion in 2012. Our board of directors has approved a capital budget for 2013 of \$2.45 billion, including \$1.45 billion for drilling and completion, \$400 million for leasehold acquisitions, and \$600 million for the construction of water handling infrastructure and gas gathering pipelines and facilities. Our capital budget excludes acquisitions. As of June 30, 2013, we had spent approximately \$1.2 billion of our 2013 capital budget. We expect to fund these capital expenditures with cash generated by operations, the proceeds of this offering, borrowings under our credit facility and possibly through additional sales of gathering assets or capital market transactions. 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, which would negatively impact our ability to grow production. We intend to finance our future capital expenditures primarily through cash flow from operations and through borrowings under our 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 would 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 hydrocarbons we are able to produce from existing wells;
- the prices at which our production is sold;
- our ability to acquire, locate and produce new reserves; and
- our ability to borrow under our credit facility.

If our revenues or the borrowing base under our 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 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 production, 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, development and acquisition activities, which 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

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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 our 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 or in obtaining water for hydraulic fracturing activities;
- equipment failures or accidents;
- adverse weather conditions, such as blizzards, tornados, hurricanes and ice storms;
- issues related to compliance with environmental regulations;
- environmental hazards, such as natural gas leaks, oil spills, pipeline and tank ruptures, encountering naturally occurring radioactive materials, and unauthorized discharges of brine, well stimulation and completion fluids, toxic gases or other pollutants into the surface and subsurface environment;
- declines in natural gas prices;
- limited availability of financing at acceptable terms;
- title problems; and
- limitations in the market for natural gas.

We may not be able to generate sufficient cash to service all of our indebtedness 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 our credit facility, our \$525 million of 9.375% senior notes due 2017, our \$400 million of 7.25% senior notes due 2019 and our \$525 million of 6.00% senior notes due 2020, depends on our financial condition and operating performance, which are 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 senior notes.

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, sell assets, seek additional capital or restructure or refinance our indebtedness, including the senior 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 indentures governing our senior 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 credit facility and the indentures governing our senior notes currently restrict our ability to dispose of assets and our use of 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 borrowing base under our credit facility is currently \$2.0 billion, and lender commitments under the credit facility are \$1.75 billion. Our next scheduled borrowing base redetermination is expected to occur in April 2014. In the future, we may not be able to access adequate funding under our credit facility as a result of a decrease in our borrowing base due to the issuance of new indebtedness, 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 our indebtedness.

We are required to pay fees to our service providers based on minimum volumes regardless of actual volume throughput.

We have various firm transportation and gas processing, gathering and compression service agreements in place, each with minimum volume delivery commitments. As of June 30, 2013, our long-term contractual obligation under these agreements was \$3.0 billion. We are obligated to pay fees on minimum volumes to our service providers regardless of actual volume throughput, which could be significant and have a material adverse effect on our results of operations. If these fees on minimum volumes are substantial, we may not be able to generate sufficient cash to cover these obligations, which may require us to reduce or delay our planned investments and capital expenditures or seek alternative means of financing.

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

Our credit facility contains a number of significant covenants (in addition to covenants restricting the incurrence of additional indebtedness), including 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;
- hedge future production;
- incur liens; and
- engage in certain other transactions without the prior consent of the lenders.

The indentures governing our senior notes contain similar restrictive covenants. In addition, our 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 indentures governing

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our senior 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 indentures governing our senior notes and our credit facility impose on us.

Our 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 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 after applicable grace periods. 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 credit facility. The borrowing base under our credit facility is currently \$2.0 billion and lender commitments are \$1.75 billion. Our next scheduled borrowing base redetermination is expected to occur in April 2014.

A breach of any covenant in our 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.

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. Additionally, if development drilling costs increase significantly in the future, our hedged revenues may not be sufficient to cover our costs.

To achieve more predictable cash flows and reduce our exposure to downward price fluctuations, as of June 30, 2013, we had entered into a number of hedge contracts for approximately 943 Bcfe of our projected natural gas and oil production through December 31, 2018. We are currently realizing a significant benefit from these hedge positions. For example, for the years ended December 31, 2011 and 2012, we received approximately \$117 million and \$271 million, respectively, in revenues pursuant to our hedges, which represented approximately 11% and 30%, respectively, of our total revenues (including revenues from discontinued operations) for such periods. Many of the hedge agreements that resulted in these realized gains for the years ended December 31, 2011 and 2012 were executed at times when spot and future prices were higher than prices that we are currently able to obtain in the futures market, and the price at which we have been able to hedge future production has decreased as a result. Therefore, we expect that this benefit will decline materially over the life of the hedges, which cover decreasing volumes at declining prices through December 2018. 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.

Additionally, since we hedge a significant part of our estimated future production, we have fixed a significant part of our future revenue stream. For example, for the years ended December 31, 2011 and 2012, approximately 73% and 81%, respectively, of our estimated future production (including production from discontinued operations) was covered by our hedge contracts. If development drilling costs increase significantly because of inflation, increased demand for oilfield services, increased costs

to comply with regulations governing our industry or other factors, future hedged revenues may not be sufficient to cover our costs.

In certain circumstances we may have to purchase commodities on the open market or make cash payments under our hedging arrangements and these payments could be significant.

If our production is less than the volume commitments under our hedging arrangements, or if natural gas or oil prices exceed the price at which we have hedged our commodities, we may be obligated to make cash payments to our hedge counterparties or purchase the volume difference at market prices, which could, in certain circumstances, be significant. As of June 30, 2013, we had entered into hedging contracts through December 31, 2018 covering a total of approximately 943 Bcfe of our projected natural gas and oil production at a weighted average price of \$4.80 per Mcfe. These hedging contracts include hedges for the six-month period ending December 31, 2013 covering a total of approximately 84 Bcfe of our projected natural gas and oil production at a weighted average price of \$4.68 per Mcfe. If we have to purchase additional commodities on the open market or post cash collateral to meet our obligations under such arrangements, our cash otherwise available for use in our operations would be reduced.

Reserve estimates depend on many assumptions that may turn out to be inaccurate. Any material inaccuracies in our 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.

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 our reserve estimates to reflect production history, results of exploration and development, existing 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 reserves is the current market value of our estimated natural gas reserves. We generally base the estimated discounted future net cash flows from our 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 potential well 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 our potential well locations.

Our management team has specifically identified and scheduled certain well locations as an estimation of our future multi-year drilling activities on our existing acreage. These well 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, access to and availability of

water sourcing and distribution systems, regulatory approvals and other factors. Because of these uncertain factors, we do not know if the numerous potential well 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 well 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.

As of June 30, 2013, we had 4,576 identified potential horizontal well locations. As a result of the limitations described above, we may be unable to drill many of our potential well 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. For more information on our identified potential well locations, see "Business—Our Operations—Identification of Potential Well Locations."

Approximately 92% of our net leasehold acreage is undeveloped, and that acreage may not ultimately be developed or become commercially productive, which could cause us to lose rights under our leases as well as have a material adverse effect on our oil and natural gas reserves and future production and, therefore, our future cash flow and income.

Approximately 92% of our net leasehold acreage is undeveloped, or acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and natural gas regardless of whether such acreage contains proved reserves. In addition, 48% and 80% of our natural gas leases related to our Marcellus and Utica acreage, respectively, require us to drill wells that are commercially productive, and if we are unsuccessful in drilling such wells, we could lose our rights under such leases. Our future oil and natural gas reserves and production and, therefore, our future cash flow and income are highly dependent on successfully developing our undeveloped leasehold acreage.

Our producing properties are concentrated in the Appalachian Basin, making us vulnerable to risks associated with operating in one major geographic area.

Our producing properties are geographically concentrated in the Appalachian Basin in West Virginia, Ohio and Pennsylvania. At June 30, 2013, all of our total estimated proved reserves were attributable to properties located in this area. As a result of this concentration, we may be disproportionately exposed to the impact of regional supply and demand factors, delays or interruptions of production from wells in this area caused by governmental regulation, processing or transportation capacity constraints, market limitations, water shortages or other drought related conditions or interruption of the processing or transportation of oil, natural gas or NGLs.

Insufficient processing or takeaway capacity in the Appalachian Basin could cause significant fluctuations in our realized natural gas and NGL prices.

The Appalachian Basin natural gas and NGL business environment has historically been characterized by periods during which production has surpassed local processing and takeaway capacity, resulting in substantial discounts in the price received. Although additional Appalachian Basin takeaway capacity has been added in 2012 and 2013, we do not believe the existing and expected capacity will be sufficient to keep pace with the increased production caused by accelerated drilling in the area. For example, we have experienced capacity constraints in the Marcellus Shale during the last several months due to delays in the completion of third-party gathering and compression infrastructure. In

addition, production from almost all of our completed horizontal Utica Shale wells has been delayed for several months pending the completion of third-party high pressure gathering infrastructure.

If we are unable to secure additional gathering, compression and processing capacity and long-term firm takeaway capacity on major pipelines that are in existence or currently under construction in our core operating area to accommodate our growing production and to manage basis differentials, it could have a material adverse effect on our financial condition and results of operations.

We may incur losses as a result of title defects in the properties in which we invest.

It is our practice in acquiring oil and gas leases or interests not to incur the expense of retaining lawyers to examine the title to the mineral interest at the time of acquisition. Rather, we rely upon the judgment of oil and gas lease brokers or landmen who perform the fieldwork in examining records in the appropriate governmental office before attempting to acquire a lease in a specific mineral interest. Leases in the Appalachian Basin are particularly vulnerable to title deficiencies due the long history of land ownership in the area, resulting in extensive and complex chains of title. Additionally, there are claims against us alleging that certain acquired leases that are held by production are invalid due to production from the producing horizons being insufficient to hold title to the formation rights that we have purchased. The existence of a material title deficiency can render a lease worthless and can adversely affect our results of operations and financial condition. While we do typically obtain title opinions prior to commencing drilling operations on a lease or in a unit, the failure of title may not be discovered until after a well is drilled, in which case we may lose the lease and the right to produce all or a portion of the minerals under the property.

The development of our estimated proved undeveloped reserves may take longer and may require higher levels of capital expenditures than we currently anticipate. Therefore, our estimated proved undeveloped reserves may not be ultimately developed or produced.

At June 30, 2013, 77% of our total estimated proved reserves were classified as proved undeveloped. Our approximately 4.8 Tcfe of estimated proved undeveloped reserves will require an estimated \$4.6 billion of development capital over the next five years. Moreover, the development of probable and possible reserves will require additional capital expenditures and such reserves are less certain to be recovered than proved reserves. Development of these undeveloped reserves may take longer and require higher levels of capital expenditures than we currently anticipate. Delays in the development of our reserves, increases in costs to drill and develop such reserves, or decreases in commodity prices will reduce the PV-10 value of our estimated proved undeveloped reserves and future net revenues estimated for such reserves and may result in some projects becoming uneconomic. In addition, delays in the development of reserves could cause us to have to reclassify our proved undeveloped reserves as unproved reserves.

If commodity prices decrease to a level such that our future undiscounted cash flows from our properties are less than their carrying value for a significant period of time, we will 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 writedown 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 reserves with new reserves and develop those 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 exploitation, development and exploration 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.

Conservation measures and technological advances could reduce demand for oil and natural gas.

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, technological advances in fuel economy and energy generation devices could reduce demand for oil and natural gas. The impact of the changing demand for oil and gas services and products may have a material adverse effect on our business, financial condition, results of operations and cash flows.

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 significant portion of our natural gas production, including fixed-price swaps. As of June 30, 2013, we had entered into hedging contracts through December 31, 2018 covering a total of approximately 943 Bcfe of our projected natural gas and oil production at a weighted average price of \$4.80 per Mcfe. These hedging contracts include hedges for the six-month period ending December 31, 2013 covering a total of approximately 84 Bcfe of our projected natural gas and oil production at a weighted average price of \$4.68 per Mcfe. 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 counterparty 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, and which could also limit the size of our borrowing base. Future collateral requirements will depend on arrangements with our counterparties, highly volatile oil and natural gas prices and interest rates.

As of June 30, 2013, the estimated fair value of our commodity derivative contracts was approximately \$593 million. Any default by the counterparties to these derivative contracts when they

become due would have a material adverse effect on our financial condition and results of operations. The fair value of our commodity derivative contracts of approximately \$593 million at June 30, 2013 includes the following values by bank counterparty: BNP Paribas—\$150 million; Credit Suisse—\$161 million; Wells Fargo—\$99 million; JP Morgan—\$102 million; Barclays—\$65 million; Deutsche Bank—\$11 million; Union Bank—\$2 million; and Toronto Dominion Bank—\$1 million. Additionally, contracts with Dominion Field Services account for \$2 million of the fair value. The credit ratings of certain of these banks have been downgraded because of the sovereign debt crisis in Europe.

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.

Our hedging transactions expose us to counterparty credit risk.

Our hedging transactions expose us to risk of financial loss if a counterparty fails to perform under a derivative contract. Disruptions in the financial markets could lead to sudden decreases in a counterparty's liquidity, which could make them unable to perform under the terms of the derivative contract and we may not be able to realize the benefit of the derivative contract.

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 (\$6 million at December 31, 2012) and the sale of our natural gas production (\$47 million in receivables at December 31, 2012), 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 leased properties 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, 2012 purchased approximately 23% 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.

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

We may incur significant delays, costs and liabilities as a result of environmental and occupational 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, regional, state and local laws and regulations relating to protection of the environment and worker health and safety, including regulations and enforcement policies that have tended to become increasingly strict over time resulting in longer waiting periods to receive permits and other regulatory approvals. 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.

For example, in March 2011, we received orders for compliance from federal regulatory agencies, including the U. S. Environmental Protection Agency, or the EPA, relating to certain of our activities in West Virginia. The orders allege that certain of our operations at several well sites are in non-compliance with certain environmental regulations, such as unpermitted discharges of fill material into wetlands or waters of the United States that are potentially in violation of the Clean Water Act. We have responded to all pending orders and are actively cooperating with the relevant agencies. No fine or penalty relating to these matters has been proposed at this time, but we believe that these actions

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will result in monetary sanctions exceeding \$100,000. In addition, we expect to incur additional costs to remediate these well locations in order to bring them into compliance with applicable environmental laws and regulations. We have not, however, been required to suspend our operations at these locations to date and our management team does not expect these matters to have a material adverse effect on our financial condition, results of operations or cash flows.

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. In addition, claims for damages to persons or property, including natural resources, may result from the environmental and worker health and safety impacts of our operations. We have been named from time to time as a defendant in litigation related to such matters. For example, we have been named as the defendant in separate lawsuits in Colorado, West Virginia and Pennsylvania in which the plaintiffs have alleged that our oil and natural gas activities exposed them to hazardous substances and damaged their properties. The plaintiffs have requested unspecified damages and other injunctive or equitable relief. We are not yet able to estimate what our aggregate exposure for monetary or other damages resulting from these or other similar claims might be. Also, 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.

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 releases of oil, natural gas, brine, well fluids, toxic gas or other pollution into the environment, including groundwater, air 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 loss to us as a result of claims for:

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

We may be limited in our ability to choose gathering operators and processing and fractionation services providers in our areas of operations pursuant to the agreements we will enter into with Antero Midstream.

Pursuant to the gas gathering and compression agreement that we intend to enter into with Antero Midstream, we will dedicate the gathering and compression of all of our current and future natural gas production in West Virginia, Ohio and Pennsylvania to Antero Midstream, so long as such production is not otherwise subject to a pre-existing dedication. Further, pursuant to the right of first offer that we intend to enter into with Antero Midstream, Antero Midstream will have a right to bid to provide certain processing and fractionation services in respect of all of our current and future gas production (as long as it is not subject to a pre-existing dedication) and will be entitled to provide such services if its bid matches or is more favorable to us than terms proposed by other parties. As a result, we will be limited in our ability to use other gathering operators in West Virginia, Ohio and Pennsylvania, even if such operators are able to offer us more favorable pricing or more efficient service. We will also be limited in our ability to use other processing and fractionation services providers in any area to the extent Antero Midstream is able to offer a competitive bid.

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

Properties 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. 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 micro-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.

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 integrate the acquired businesses and assets into our existing operations successfully or to minimize any unforeseen operational difficulties could have a material adverse effect on our financial condition and results of operations.

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

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 natural 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. Such potential regulations could increase our operating costs, reduce our liquidity, delay or halt our operations or otherwise alter the way we conduct our business, which could in turn have a material adverse effect on our financial condition, results of operations and cash flows.

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 oil and natural gas 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 ongoing 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.

Climate change laws and regulations restricting emissions of "greenhouse gases" could result in increased operating costs and reduced demand for the oil and natural gas that we produce while potential physical effects of climate change could disrupt our production and cause us to incur significant costs in preparing for or responding to those effects.

In response to findings that emissions of carbon dioxide, methane and other greenhouse gases, or GHGs, present an endangerment to public health and the environment, the EPA has adopted regulations under existing provisions of the federal Clean Air Act that, among other things, establish Prevention of Significant Deterioration, or PSD, construction and Title V operating permit reviews for certain large stationary sources that are potential major sources of GHG emissions. Facilities required to obtain PSD permits for their GHG emissions also will be required to meet "best available control technology" standards that will be established by the states or, in some cases, by the EPA on a case-by-case basis. These EPA rulemakings could adversely affect our operations and restrict or delay our ability to obtain air permits for new or modified sources. In addition, the EPA has adopted rules

requiring the monitoring and reporting of GHG emissions from specified onshore and offshore oil and gas production sources in the United States on an annual basis, which include certain of our operations. We are monitoring GHG emissions from our operations in accordance with the GHG emissions reporting rule and believe that our monitoring activities are in substantial compliance with applicable reporting obligations. While Congress has from time to time considered legislation to reduce emissions of GHGs, there has not been significant activity in the form of adopted legislation to reduce GHG emissions at the federal level in recent years. In the absence of such federal climate legislation, a number of state and regional efforts have emerged that are aimed at tracking and/or reducing GHG emissions by means of cap and trade programs that typically require major sources of GHG emissions, such as electric power plants, to acquire and surrender emission allowances in return for emitting those GHGs. If Congress undertakes comprehensive tax reform in the coming year, it is possible that such reform may include a carbon tax, which could impose additional direct costs on operations and reduce demand for refined products. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact our business, any such future laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, our equipment and operations could require us to incur costs to reduce emissions of GHGs associated with our operations. Substantial limitations on GHG emissions could adversely affect demand for the oil and natural gas we produce. Finally, it should be noted that some scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events; if any such effects were to occur, they could have an adverse effect on our exploration and production operations.

Federal, state and local legislative and regulatory initiatives relating to hydraulic fracturing as well as governmental reviews of such activities could result in increased costs and additional operating restrictions or delays in the completion of oil and natural gas wells and adversely affect our production.

Hydraulic fracturing is an important and common practice that is used to stimulate production of natural gas and/or oil from dense subsurface rock formations. The hydraulic fracturing process involves the injection of water, sand, and chemicals under pressure into targeted subsurface formations to fracture the surrounding rock and stimulate production. We regularly use hydraulic fracturing as part of our operations. Hydraulic fracturing typically is regulated by state oil and natural gas commissions, but the EPA has asserted federal regulatory authority pursuant to the federal Safe Drinking Water Act, or SDWA, over certain hydraulic fracturing activities involving the use of diesel fuels and published draft permitting guidance in May 2012 addressing the performance of such activities using diesel fuels. In November 2011, the EPA announced its intent to develop and issue regulations under the Toxic Substances Control Act to require companies to disclose information regarding the chemicals used in hydraulic fracturing and the agency currently plans to issue a Notice of Proposed Rulemaking that would seek public input on the design and scope of such disclosure regulations. In addition, Congress has from time to time considered legislation to provide for federal regulation of hydraulic fracturing under the SDWA and to require disclosure of the chemicals used in the hydraulic fracturing process. At the state level, several states have adopted or are considering legal requirements that could impose more stringent permitting, disclosure, and well construction requirements on hydraulic fracturing activities. Local government also may seek to adopt ordinances within their jurisdictions regulating the time, place and manner of drilling activities in general or hydraulic fracturing activities in particular. We believe that we follow applicable standard industry practices and legal requirements for groundwater protection in our hydraulic fracturing activities. Nonetheless, if new or more stringent federal, state, or local legal restrictions relating to the hydraulic fracturing process are adopted in areas where we operate, we could incur potentially significant added costs to comply with such requirements, experience delays or curtailment in the pursuit of exploration, development, or production activities, and perhaps even be precluded from drilling wells.

In addition, certain governmental reviews have been conducted or are underway that focus on environmental aspects of hydraulic fracturing practices. The White House Council on Environmental Quality is coordinating an administration-wide review of hydraulic fracturing practices. The EPA has commenced a study of the potential environmental effects of hydraulic fracturing on drinking water and groundwater, with a first progress report outlining work currently underway by the agency released on December 21, 2012 and a draft final report drawing conclusions about the potential impacts of hydraulic fracturing on drinking water resources expected to be available for public comment and peer review by 2014. Moreover, the EPA is developing effluent limitations for the treatment and discharge of wastewater resulting from hydraulic fracturing activities and plans to propose these standards by 2014. In addition, the U.S. Department of the Interior published a revised proposed rule on May 24, 2013 that would implement updated requirements for hydraulic fracturing activities on federal lands, including new requirements relating to public disclosure, well bore integrity and handling of flowback water. Other governmental agencies, including the U.S. Department of Energy, have evaluated or are evaluating various other aspects of hydraulic fracturing. These ongoing or proposed studies could spur initiatives to further regulate hydraulic fracturing under the SDWA or other regulatory mechanisms, and could ultimately make it more difficult or costly for us to perform fracturing and increase our costs of compliance and doing business.

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. We do not maintain, nor do we plan to obtain, any insurance against the loss of any of these individuals. The loss of the services of our 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 business, financial condition and results of operations.

Seasonal weather conditions and regulations 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 regulations designed to protect various wildlife. 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 June 30, 2013, outstanding borrowings and letters of credit under our credit facility were approximately \$992 million, and the impact of a 1.0% increase in interest rates on this amount of indebtedness would result in increased interest expense for that period of approximately \$2.1 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 and income taxes. In addition, an increase in interest rates could negatively impact the valuation that our midstream business would receive in an initial public offering as a MLP. 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, such as groundwater contamination, 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.

Certain federal income tax deductions currently available with respect to natural gas and oil exploration and development may be eliminated, and additional state taxes on natural gas extraction may be imposed, as a result of future legislation.

The Fiscal Year 2013 Budget proposed by the President recommends the elimination of certain key U.S. federal income tax incentives currently available to oil and gas exploration and production companies, and legislation has been introduced in Congress that would implement many of these proposals. Such changes include, but are not limited to, (i) the repeal of the percentage depletion allowance for oil and gas 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 for oil and gas production; and (iv) an extension of the amortization period for certain geological and geophysical expenditures. It is unclear, however, whether any such changes will be enacted or how soon such changes could be effective.

The passage of this legislation or any other similar change in U.S. federal income tax law could eliminate or postpone certain tax deductions that are currently available with respect to natural gas and oil exploration and development, and any such change could negatively affect our financial condition and results of operations.

In February 2013, the governor of the state of Ohio proposed a plan to enact new severance taxes in fiscal 2014 and 2015. However, the Ohio State Senate did not include a severance tax increase in the version of the budget bill that it passed on June 7, 2013. The possibility remains that the severance tax increase on horizontal wells will resurface during compromise talks on the budget.

Risks Related to the Offering and our Common Stock

The requirements of being a public company, including compliance with the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the requirements of the Sarbanes-Oxley Act, may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.

As a public company, we will need to comply with new laws, regulations and requirements, certain corporate governance provisions of the Sarbanes-Oxley Act of 2002, related regulations of the SEC and the requirements of the NYSE, with which we are not required to comply as a private company. Complying with these statutes, regulations and requirements will occupy a significant amount of time of our board of directors and management and will significantly increase our costs and expenses. We will need to:

- institute a more comprehensive compliance function;
- comply with rules promulgated by the NYSE;
- continue to prepare and distribute periodic public reports in compliance with our obligations under the federal securities laws;
- establish new internal policies, such as those relating to insider trading; and
- involve and retain to a greater degree outside counsel and accountants in the above activities.

Furthermore, while we generally must comply with Section 404 of the Sarbanes Oxley Act of 2002 for our fiscal year ended December 31, 2013, we are not required to have our independent registered public accounting firm attest to the effectiveness of our internal controls until our first annual report subsequent to our ceasing to be an "emerging growth company" within the meaning of Section 2(a)(19) of the Securities Act. Accordingly, we may not be required to have our independent registered public accounting firm attest to the effectiveness of our internal controls until as late as our annual report for the fiscal year ending December 31, 2018. Once it is required to do so, our independent registered

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public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed, operated or reviewed. Compliance with these requirements may strain our resources, increase our costs and distract management; and we may be unable to comply with these requirements in a timely or cost-effective manner.

The initial public offering price of our common stock may not be indicative of the market price of our common stock after this offering. In addition, an active, liquid and orderly trading market for our common stock may not develop or be maintained, and our stock price may be volatile.

Prior to this offering, our common stock was not traded on any market. An active, liquid and orderly trading market for our common stock may not develop or be maintained after this offering. Active, liquid and orderly trading markets usually result in less price volatility and more efficiency in carrying out investors' purchase and sale orders. The market price of our common stock could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our common stock, you could lose a substantial part or all of your investment in our common stock. The initial public offering price will be negotiated between us, the selling stockholder and representatives of the underwriters, based on numerous factors which we discuss in "Underwriting (Conflicts of Interest)," and may not be indicative of the market price of our common stock after this offering. Consequently, you may not be able to sell shares of our common stock at prices equal to or greater than the price paid by you in this offering.

The following factors could affect our stock price:

- our operating and financial performance and drilling locations, including reserve estimates;
- quarterly variations in the rate of growth of our financial indicators, such as net income per share, net income and revenues;
- strategic actions by our competitors;
- changes in revenue or earnings estimates, or changes in recommendations or withdrawal of research coverage, by equity research analysts;
- speculation in the press or investment community;
- sales of our common stock by us, the selling stockholder or other stockholders, or the perception that such sales may occur;
- changes in accounting principles;
- additions or departures of key management personnel;
- actions by our stockholders;
- general market conditions, including fluctuations in commodity prices; and
- domestic and international economic, legal and regulatory factors unrelated to our performance.

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company's securities. Such litigation, if instituted against us, could result in very substantial costs, divert our management's attention and resources and harm our business, operating results and financial condition.

Antero Investment will hold a majority of our outstanding common stock.

Immediately following the completion of this offering, Antero Investment will hold approximately % of our common stock (or % if the underwriters fully exercise their options to purchase additional shares of common stock from us and Antero Investment). Accordingly, Antero Investment will have the ability to elect all of the members of our board of directors and thereby control our management and affairs. In addition, Antero Investment will be able to determine the outcome of all matters requiring stockholder approval, including mergers, amendments to our certificate of incorporation and other material transactions and will be able to cause or prevent a change in control of our company that could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company. The existence of significant stockholders may also have the effect of deterring hostile takeovers, delaying or preventing changes in control or changes in management, or limiting the ability of our other stockholders to approve transactions that they may deem to be in the best interests of our company. So long as Antero Investment continues to own a significant amount of our common stock, even if such amount represents less than 50% of the aggregate voting power, it will continue to be able to strongly influence all matters requiring stockholder approval, regardless of whether or not other stockholders believe that a potential transaction is in their own best interests.

In addition, the limited liability company agreement of Antero Investment will provide that Antero Investment and its members will agree to vote the shares of our common stock held by Antero Investment in favor of the election of the five directors of Antero Investment to our board. See "Corporate Reorganization—Limited Liability Company Agreement of Antero Investment."

Antero Investment will own a special membership interest in Antero Midstream that will provide Antero Investment with certain rights, including the right to cause an initial public offering of Antero Midstream and to prohibit our ability to sell, transfer or otherwise dispose of any portion of our midstream business or Antero Midstream without Antero Investment's consent.

Following the completion of this offering, we intend to contribute our midstream business to Antero Midstream, a newly formed limited liability company. We will own 100% of the economic interests and initially control Antero Midstream, but Antero Investment, which includes members of our management and our Sponsors, will own a special membership interest in Antero Midstream that will provide Antero Investment with certain rights, including the right to cause an initial public offering of Antero Midstream and to prohibit our ability to sell, transfer or otherwise dispose of any portion of our midstream business or Antero Midstream without Antero Investment's consent. As a result, we may not be able to manage our midstream business in a manner that will maximize its value to our stockholders. For example, we may not be able to pursue strategic dispositions of our midstream assets or determine whether to pursue an initial public offering of our midstream business when we believe it to be in the best interest of our shareholders. Following the completion of an initial public offering of Antero Midstream, Antero Investment's interest in Antero Midstream will automatically convert into a general partner interest. As a result, Antero Investment will control our current and future midstream business and may operate this business in a manner that is inconsistent with the interests of our shareholders, because those decisions will be controlled by Antero Investment and not by us. In addition, following an initial public offering of Antero Midstream, Antero Investment will have the right to receive an increasing percentage of the MLP's quarterly cash distributions in excess of specified target distribution levels. As a result, we may not receive the full economic benefit of our midstream business after an initial public offering of Antero Midstream. See "Certain Relationships and Related Party Transactions—Antero Midstream—Special Membership Interest."

Our amended and restated certificate of incorporation and amended and restated bylaws, as well as Delaware law, contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of our common stock.

Our amended and restated certificate of incorporation authorizes our board of directors to issue preferred stock without stockholder approval. If our board of directors elects to issue preferred stock, it could be more difficult for a third party to acquire us. In addition, some provisions of our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for a third party to acquire control of us, even if the change of control would be beneficial to our stockholders, including:

- a classified board of directors, so that only approximately one-third of our directors are elected each year;
- limitations on the removal of directors;
- limitations on the ability of our stockholders to call special meetings; and
- establishing advance notice provisions for stockholder proposals and nominations for elections to the board of directors to be acted upon at meetings of stockholders.

Investors in this offering will experience immediate and substantial dilution of \$ per share.

Based on an assumed initial public offering price of \$ per share, purchasers of our common stock in this offering will experience an immediate and substantial dilution of \$ per share in the as adjusted net tangible book value per share of common stock from the initial public offering price, and our as adjusted net tangible book value as of June 30, 2013 after giving effect to this offering would be \$ per share. This dilution is due in large part to earlier investors having paid substantially less than the initial public offering price when they purchased their shares. See "Dilution."

We may invest or spend the proceeds of this offering in ways with which you may not agree or in ways which may not yield a return.

A portion of the net proceeds from this offering are expected to be used for general corporate purposes, including working capital. Our management will have considerable discretion in the application of the net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not increase our operating results or market value. Until the net proceeds are used, they may be placed in investments that do not produce significant income or that may lose value.

We do not intend to pay dividends on our common stock, and our credit facility and the indentures governing our senior notes place certain restrictions on our ability to do so. Consequently, your only opportunity to achieve a return on your investment is if the price of our common stock appreciates.

We do not plan to declare dividends on shares of our common stock in the foreseeable future. Additionally, our credit facility and the indentures governing our senior notes place certain restrictions on our ability to pay cash dividends. Consequently, your only opportunity to achieve a return on your investment in us will be if you sell your common stock at a price greater than you paid for it. There is no guarantee that the price of our common stock that will prevail in the market will ever exceed the price that you pay in this offering.

Future sales of our common stock in the public market could reduce our stock price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership in us.

We may sell additional shares of common stock in subsequent public offerings. We may also issue additional shares of common stock or convertible securities. After the completion of this offering, we will have outstanding shares of common stock. This number includes shares that we are selling in this offering, shares that Antero Investment may sell in this offering if the underwriters' option to purchase additional shares from Antero Investment is fully exercised, and shares that we may sell in this offering if the underwriters' option to purchase additional shares from us is fully exercised, which may be resold immediately in the public market. Following the completion of this offering, and assuming full exercise of the underwriters' options to purchase additional shares, Antero Investment will own shares, or approximately % of our total outstanding shares, all of which are restricted from immediate resale under the federal securities laws and are subject to the lock-up agreements between the selling stockholder and the underwriters described in "Underwriting (Conflicts of Interest)," but may be sold into the market in the future.

Prior to the completion of this offering, we intend to file a registration statement with the SEC on Form S-8 providing for the registration of shares of our common stock issued or reserved for issuance under our stock incentive plan. Subject to the satisfaction of vesting conditions, Rule 144 restrictions applicable to our affiliates and the expiration of lock-up agreements, shares registered under the registration statement on Form S-8 will be available for resale immediately in the public market without restriction.

We cannot predict the size of future issuances of our common stock or securities convertible into common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices of our common stock.

The underwriters of this offering may waive or release parties to the lock-up agreements entered into in connection with this offering, which could adversely affect the price of our common stock.

Antero Investment and our directors and executive officers have entered into lock-up agreements with respect to their common stock, pursuant to which they are subject to certain resale restrictions for a period of 180 days following the effectiveness date of the registration statement of which this prospectus forms a part. Barclays Capital Inc., at any time and without notice, may release all or any portion of the common stock subject to the foregoing lock-up agreements. If the restrictions under the lock-up agreements are waived, then common stock will be available for sale into the public markets, which could cause the market price of our common stock to decline and impair our ability to raise capital.

We expect to be a "controlled company" within the meaning of the NYSE rules and, as a result, will qualify for and could rely on exemptions from certain corporate governance requirements.

Upon completion of this offering, Antero Investment will control a majority of the combined voting power of all classes of our outstanding voting stock, and we expect to be a controlled company within the meaning of the NYSE corporate governance standards. Under the NYSE rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a controlled company and may elect not to comply with certain NYSE corporate governance requirements, including the requirements that:

- a majority of the board of directors consist of independent directors;

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- the nominating and governance committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- there be an annual performance evaluation of the nominating and governance and compensation committees.

These requirements will not apply to us as long as we remain a controlled company. Following this offering, we may utilize some or all of these exemptions. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE. See "Management."

For as long as we are an emerging growth company, we will not be required to comply with certain reporting requirements, including those relating to accounting standards and disclosure about our executive compensation, that apply to other public companies.

We are classified as an "emerging growth company" under the JOBS Act. For as long as we are an emerging growth company, which may be up to five full fiscal years, unlike other public companies, we will not be required to, among other things, (1) provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes Oxley Act of 2002, (2) comply with any new requirements adopted by the PCAOB requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer, (3) comply with any new audit rules adopted by the PCAOB after April 5, 2012 unless the SEC determines otherwise, (4) provide certain disclosure regarding executive compensation required of larger public companies or (5) hold stockholder advisory votes on executive compensation.

We may issue preferred stock whose terms could adversely affect the voting power or value of our common stock.

Our certificate of incorporation authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our common stock respecting dividends and distributions, as our board of directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of the common stock.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information in this prospectus includes "forward-looking statements." 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, NGLs and oil prices;
- timing and amount of future production of natural gas, NGLs and oil;
- hedging strategy and results;
- future drilling plans;
- competition and government regulations;
- pending legal or environmental matters;
- marketing of natural gas, NGLs and oil;
- leasehold or business acquisitions;
- costs of developing our properties and conducting our gathering and other midstream operations;
- general economic conditions;
- credit markets;
- 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, NGLs 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, NGLs 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, NGLs, and oil that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the

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quality of available data, the interpretation of such data and price and cost assumptions made by reserve 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, NGLs 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.

USE OF PROCEEDS

We expect to receive approximately \$ _____ of net proceeds from the sale of the common stock offered by us after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering, including any proceeds received pursuant to any exercise by the underwriters of their option to purchase additional shares of common stock from us, to repay outstanding borrowings under our credit facility. As of June 30, 2013, we had \$992 million of outstanding borrowings and letters of credit under our credit facility, which matures in May 2016 and bears interest at a variable rate, which was approximately 2.1% as of June 30, 2013. The borrowings to be repaid were incurred primarily for our drilling and development program and for general corporate purposes. While we currently do not have plans to immediately borrow additional amounts under the credit facility, we may at any time reborrow amounts repaid under the credit facility.

A \$1.00 increase or decrease in the assumed initial public offering price of \$ _____ per share would cause the net proceeds from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable to us, to increase or decrease, respectively, by approximately \$ _____ million. If the proceeds increase due to a higher initial public offering price, we would use the additional net proceeds to fund a portion of our capital expenditure program. If the proceeds decrease due to a lower initial public offering price, then we would reduce by a corresponding amount the net proceeds directed to repay outstanding borrowings under our credit facility.

We will not receive any of the proceeds from the sale of shares of our common stock by the selling stockholder pursuant to any exercise by the underwriters of their option to purchase additional shares of our common stock from the selling stockholder. Any exercise by the underwriters of their options to purchase additional shares of common stock will be made initially with respect to the _____ additional shares of common stock to be sold by the selling stockholder and then with respect to the _____ additional shares of common stock to be sold by us. We will pay all expenses related to this offering, other than underwriting discounts and commissions related to the shares sold by the selling stockholder.

Affiliates of certain of the underwriters are lenders under our credit facility and will receive a portion of the proceeds of this offering. Accordingly, this offering is being made in compliance with Rule 5121 of the FINRA. See "Underwriting (Conflicts of Interest)."

DIVIDEND POLICY

We do not anticipate declaring or paying any cash dividends to holders of our common stock in the foreseeable future. We currently intend to retain future earnings, if any, to finance the growth of our business. Our future dividend policy is within the discretion of our board of directors and will depend upon then-existing conditions, including our results of operations, financial condition, capital requirements, investment opportunities, statutory restrictions on our ability to pay dividends and other factors our board of directors may deem relevant. In addition, our credit facility and the indentures governing our senior notes place certain restrictions on our ability to pay cash dividends.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2013:

- on an actual basis; and
- as adjusted to give effect to the transactions described under "Corporate Reorganization" which will be completed immediately prior to or contemporaneously with the closing of this offering and the application of the net proceeds as set forth under "Use of Proceeds."

This table should be read in conjunction with, and is qualified in its entirety by reference to, "Use of Proceeds" and our historical audited and unaudited consolidated financial statements and the accompanying notes appearing elsewhere in this prospectus.

	As of June 30, 2013	
	Actual	As Adjusted
	(in thousands)	
Cash and cash equivalents	\$ 10,867	\$
Indebtedness:		
Senior secured revolving credit facility(1)	960,000	—
9.375% senior notes due 2017	525,000	525,000
7.25% senior notes due 2019	400,000	400,000
6.00% senior notes due 2020	525,000	525,000
9.00% senior note due 2013	25,000	25,000
Net unamortized premium	8,217	8,217
Total indebtedness	2,443,217	1,483,217
Equity:		
Members' equity	1,460,947	—
Common stock, \$1.00 par value; shares authorized (as adjusted); ; shares issued and outstanding (as adjusted)	—	—
Preferred stock, \$ par value; shares authorized (as adjusted); no shares issued and outstanding (as adjusted)	—	—
Additional paid in capital(2)	—	—
Accumulated earnings	295,986	—
Total equity	1,756,933	—
Total capitalization	\$ 4,200,150	\$

- (1) As of _____, 2013, the outstanding balance under our credit facility was approximately \$ _____ million. In addition, as of _____, 2013, we had outstanding letters of credit under our credit facility of approximately \$ _____ million. As of _____, 2013, after giving effect to the application of the net proceeds of this offering, we would have had approximately \$ _____ million of available borrowing capacity under our credit facility.
- (2) In connection with our corporate reorganization, we expect to recognize stock compensation expense that will be accounted for as a capital contribution by Antero Investment. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Corporate Reorganization."

DILUTION

Purchasers of the common stock in this offering will experience immediate and substantial dilution in the net tangible book value per share of the common stock for accounting purposes. Our net tangible book value as of June 30, 2013, after giving effect to the transactions described under "Corporate Reorganization," was \$ million, or \$ per share. Pro forma net tangible book value per share is determined by dividing our pro forma tangible net worth (tangible assets less total liabilities) by the total number of outstanding shares of common stock that will be outstanding immediately prior to the closing of this offering including giving effect to our corporate reorganization. After giving effect to the sale of the shares in this offering and further assuming the receipt of the estimated net proceeds (after deducting estimated underwriting discounts and commissions and estimated offering expenses), our adjusted pro forma net tangible book value as of June 30, 2013 would have been approximately \$ million, or \$ per share. This represents an immediate increase in the net tangible book value of \$ per share to our existing stockholders and an immediate dilution (i.e., the difference between the offering price and the adjusted pro forma net tangible book value after this offering) to new investors purchasing shares in this offering of \$ per share. The following table illustrates the per share dilution to new investors purchasing shares in this offering:

Assumed initial public offering price per share	\$
Pro forma net tangible book value per share as of June 30, 2013 (after giving effect to our corporate reorganization)	\$
Increase per share attributable to new investors in this offering	_____
As adjusted pro forma net tangible book value per share after giving effect to our corporate reorganization and this offering	_____
Dilution in pro forma net tangible book value per share to new investors in this offering	\$

The following table summarizes, on an adjusted pro forma basis as of June 30, 2013, the total number of shares of common stock owned by existing stockholders and to be owned by new investors, the total consideration paid, and the average price per share paid by our existing stockholders and to be paid by new investors in this offering at \$, the midpoint of the range of the initial public offering price set forth on the cover page of this prospectus, calculated before deduction of estimated underwriting discounts and commissions:

	Shares Acquired			Total Consideration			Average Price
	Number	Percent		Amount	Percent		Per Share
Existing stockholders(1)		%	\$		%	\$	
New investors in this offering							
Total		%	\$		%	\$	

- (1) The number of shares disclosed for the existing stockholders includes shares that may be sold by the selling stockholder in this offering pursuant to any exercise of the underwriters' option to purchase additional shares of common stock.

A \$1.00 increase or decrease in the assumed initial public offering price of \$ per share, which is the midpoint of the range set forth on the cover page of this prospectus, would increase or decrease our as adjusted pro forma net tangible book value as of June 30, 2013 by approximately \$ million, the as adjusted pro forma net tangible book value per share after this offering by \$ per share and the dilution in pro forma as adjusted net tangible book value per share to new investors in this offering by \$ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table shows our selected historical consolidated financial data, for the periods and as of the dates indicated, for Antero Resources LLC and its subsidiaries.

The selected statement of operations data for the years ended December 31, 2010, 2011 and 2012 and the balance sheet data as of December 31, 2011 and 2012 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected statement of operations data for the years ended December 31, 2008 and 2009 and the balance sheet data as of December 31, 2008, 2009, and 2010 are derived from our audited consolidated financial statements not included in this prospectus. The selected statement of operations data for the three and six months ended June 30, 2012 and 2013 and the balance sheet data as of June 30, 2013 are derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The balance sheet data as of June 30, 2012 is derived from our unaudited consolidated financial statements not included in this prospectus.

The statement of operations data for all periods presented has been recast to present the results of operations from our Piceance Basin and Arkoma Basin operations in discontinued operations. The losses on the sales of these properties are also included in discontinued operations in 2012. The results from continuing operations reflect our remaining operations in the Appalachian Basin. No part of our general and administrative expenses or interest expense was allocated to discontinued operations.

The selected historical consolidated financial data has been prepared on a consistent basis with our audited consolidated financial statements. In the opinion of management, such selected historical consolidated 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, "Capitalization," "Management's Discussion and

depletion, depreciation and amortization	(183,145)	(322,992)	(431,181)	(601,702)	(173,343)	(353,406)	(266,296)	(353,406)	(266,296)
Property and equipment, net	1,797,715	1,803,519	2,159,762	2,880,414	2,937,473	2,678,800	4,074,634	2,678,800	4,074,634
Other assets	27,084	38,203	169,620	574,744	406,714	604,931	422,609	604,931	422,609
Total assets	\$ 2,028,967	\$ 1,936,566	\$ 2,486,287	\$ 3,788,800	\$ 3,618,793	\$ 3,586,082	\$ 4,825,148	\$ 3,586,082	\$ 4,825,148
Current liabilities	\$ 208,209	\$ 112,493	\$ 152,483	\$ 255,058	\$ 376,296	\$ 311,766	\$ 477,531	\$ 311,766	\$ 477,531
Long-term indebtedness	622,734	515,499	652,632	1,317,330	1,444,058	1,042,172	2,148,217	1,042,172	2,418,217
Other long-term liabilities	20,469	9,467	86,185	257,606	124,702	423,694	172,467	423,694	172,467
Total equity	1,177,555	1,299,107	1,594,987	1,958,806	1,673,737	1,808,450	1,756,933	1,808,450	1,756,933
Total liabilities and equity	\$ 2,028,967	\$ 1,936,566	\$ 2,486,287	\$ 3,788,800	\$ 3,618,793	\$ 3,586,082	\$ 4,825,148	\$ 3,586,082	\$ 4,825,148

(in thousands, except ratios)	Year Ended December 31,					Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2009	2010	2011	2012	2012	2013	2012	2013
Other financial data:									
EBITDAX from continuing operations(1)	\$ (15,288)	\$ (15,857)	\$ 27,824	\$ 160,259	\$ 284,710	\$ 60,236	\$ 132,608	\$ 127,887	\$ 251,357
EBITDAX from discontinued operations(1)	223,801	217,127	169,854	180,562	149,605	46,003	—	100,692	—
Total EBITDAX(1)	\$ 208,513	\$ 201,270	\$ 197,678	\$ 340,821	\$ 434,315	\$ 106,239	\$ 132,608	\$ 228,579	\$ 251,357
Net cash provided by operating activities	157,515	149,307	127,791	266,307	332,255	60,493	82,190	160,984	192,397
Net cash provided by (used in) investing activities	(1,004,010)	(281,899)	(230,672)	(901,249)	(463,491)	(8,372)	(630,523)	116,327	(1,178,408)
Net cash provided by (used in) financing activities	874,350	104,292	101,200	629,297	146,882	(53,039)	554,394	(275,079)	977,889
Capital expenditures(2)	1,041,748	203,454	423,002	929,887	1,755,430	466,570	597,938	726,262	1,236,434

(1) "EBITDAX" is a non-GAAP financial measure that we define as net income (loss) before interest expense or interest income, gains or losses on interest rate derivative instruments, taxes, impairments, depletion, depreciation, amortization, exploration expense, changes in fair value of unsettled commodity derivative instruments, franchise taxes, stock compensation, business acquisition and gain or loss on sale of assets. "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 may be required for debt service, capital expenditures, working capital, income taxes, franchise taxes, exploration expenses, and other commitments and obligations. However, our management team believes EBITDAX is useful to an investor in evaluating our financial performance because this measure:

- is widely used by investors in the oil and natural gas 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 covenants under our credit facility and the indentures governing our senior 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 (loss) from continuing operations to EBITDAX from continuing operations, a reconciliation of our net income (loss) from discontinued operations to

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EBITDAX from discontinued operations, and a reconciliation of our total EBITDAX to net cash provided by operating activities per our consolidated statements of cash flows, in each case for the periods presented:

(in thousands)	Year Ended December 31,					Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2009	2010	2011	2012	2012	2013	2012	2013
Net income (loss) from continuing operations	\$ (42,881)	\$ (60,197)	\$ 216	\$ 271,188	\$ 225,276	\$ (33,237)	\$ 131,193	\$ 254,318	\$ 83,196
Unrealized (gains) losses on commodity derivative contracts	—	(3,910)	(62,536)	(446,120)	(1,055)	55,904	(181,337)	(114,498)	(61,265)
(Gain) loss on sale of assets	—	—	—	8,700	(291,190)	—	—	(291,305)	—
Interest expense and other	52,839	41,038	59,140	74,498	97,510	24,223	33,468	48,593	63,396
Provision (benefit) for income taxes	(26,520)	—	939	185,297	121,229	(14,442)	83,725	183,969	53,325
Depreciation, depletion, amortization, and accretion	391	1,706	18,533	55,792	102,127	22,345	52,856	38,477	93,484
Impairment of unproved properties	—	100	6,076	4,664	12,070	1,295	4,803	1,581	6,359
Exploration expense	—	2,095	2,350	4,034	14,675	2,952	7,300	4,756	11,662
Other	883	3,311	3,106	2,206	4,068	1,196	600	1,996	1,200
EBITDAX from continuing operations	(15,288)	(15,857)	27,824	160,259	284,710	60,236	132,608	127,887	251,357
Net income (loss) from discontinued operations	126,837	(45,972)	228,412	121,490	(510,345)	(444,850)	—	(404,674)	—
Unrealized (gains) losses on commodity derivative contracts	(90,301)	65,095	(108,035)	(113,476)	45,808	33,197	—	636	—
(Gain) loss on sale of assets	—	—	(147,559)	—	795,945	427,232	—	427,232	—
Provision (benefit) for income taxes	29,549	(2,605)	29,070	45,155	(272,553)	(1,717)	—	12,727	—
Depreciation, depletion, amortization, and accretion	124,606	138,372	115,739	115,164	89,124	31,698	—	63,366	—
Impairment of unproved properties	10,112	54,104	29,783	6,387	962	243	—	993	—
Exploration expense	22,998	8,133	22,444	5,842	664	200	—	412	—
EBITDAX from discontinued operations	223,801	217,127	169,854	180,562	149,605	46,003	—	100,692	—
Total EBITDAX	\$ 208,513	\$ 201,270	\$ 197,678	\$ 340,821	\$ 434,315	\$ 106,239	\$ 132,608	\$ 228,579	\$ 251,357
Interest expense and other	(52,839)	(41,038)	(59,140)	(74,498)	(97,510)	(24,223)	(33,468)	(48,593)	(63,396)
Exploration expense	(22,998)	(10,228)	(24,794)	(9,876)	(15,339)	(3,152)	(7,300)	(5,168)	(11,662)
Changes in current assets and current liabilities	4,047	(2,648)	(698)	8,309	9,887	(16,654)	(10,238)	4,040	14,723
Other	20,792	1,951	14,745	1,551	902	(1,717)	588	(17,874)	1,375
Net cash provided by operating activities	\$ 157,515	\$ 149,307	\$ 127,791	\$ 266,307	\$ 332,255	\$ 60,493	\$ 82,190	\$ 160,984	\$ 192,397

- (2) Capital expenditures as shown in this table differ from the amounts shown in the statement of cash flows in the consolidated 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this 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 that could cause actual results to vary from our expectations include changes in natural gas, NGL 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, 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." Also, see the risk factors and other cautionary statements described under the heading "Risk Factors" included elsewhere in this prospectus. We do not undertake any obligation to publicly update any forward-looking statements except as otherwise required by applicable law.

Our Company

We are an independent oil and natural gas company engaged in the exploitation, development and acquisition of natural gas, NGLs and oil properties located in the Appalachian Basin in West Virginia, Ohio and Pennsylvania. We are focused on creating shareholder value through the development of our large portfolio of repeatable, low cost, liquids-rich drilling opportunities in two of the premier North American shale plays. We currently hold approximately 329,000 net acres in the southwestern core of the Marcellus Shale and approximately 102,000 net acres in the core of the Utica Shale. In addition, we estimate that approximately 170,000 net acres of our Marcellus Shale leasehold are prospective for the slightly shallower Upper Devonian Shale. As of June 30, 2013, our estimated proved, probable and possible reserves were 6.3 Tcfe, 14.0 Tcfe and 7.4 Tcfe, respectively, and our proved reserves were 23% proved developed and 91% natural gas, assuming ethane rejection. As of June 30, 2013, our drilling inventory consisted of 4,576 identified potential horizontal well locations, approximately 64% of which are liquids-rich drilling opportunities.

The statement of operations data for all periods presented in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" has been recast to present the results of operations from our Arkoma Basin and Piceance operations in discontinued operations.

Source of Our Revenues

Our revenues are derived from the sale of natural gas and oil production, as well as the sale of NGLs that are extracted from our natural gas during processing. Our production revenues derive entirely from the continental United States. During 2012 our revenues from both continuing and discontinued operations were comprised of approximately 85% from the production and sale of natural gas and 15% from the production and sale of NGLs and oil. Natural gas, NGL, and oil prices are inherently volatile and are influenced by many factors outside of our control. Substantially all of our production is derived from natural gas wells which also produce NGLs and limited quantities of oil. 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. At the end of each period we estimate the fair value of these swaps and recognize

the changes in the fair value of unsettled commodity derivative instruments as 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 at the end of each accounting period. We expect continued volatility in the fair value of these swaps.

Principal Components of Our Cost Structure

- *Lease operating expenses.* These are the day to day operating costs incurred to maintain production of our natural gas, NGLs, and oil. Such costs include produced water recycling, pumping, maintenance, repairs, and workover expenses. Cost levels for these expenses can vary based on supply and demand for oilfield services.
- *Gathering, compression, processing and transportation.* These are costs incurred to bring natural gas, NGLs, and oil to the market. Such costs include the costs to operate and maintain our low and high pressure gathering and compression systems as well as fees paid to third parties who operate low- and high-pressure gathering systems that transport our gas. They also include costs to process and extract NGLs from our produced gas and to transport our NGLs and oil to market. We often enter into fixed price long-term contracts that secure transportation and processing capacity that may include minimum volume commitments, the cost for which is included in these expenses.
- *Production taxes.* Production taxes consist of severance and ad valorem taxes and are paid on produced natural gas, NGLs, and oil based on a percentage of market prices (not hedged prices) and at fixed per unit rates established by federal, state or local taxing authorities.
- *Exploration expense.* These are geological and geophysical costs and include seismic costs, 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 record impairment charges for proved properties if the carrying value were to exceed estimated future cash flows. Through June 30, 2013, we have not recorded any impairment for proved properties.
- *Depreciation, depletion and amortization.* Depreciation, depletion and amortization, or DD&A, includes the systematic expensing of the capitalized costs incurred to acquire, explore and develop natural gas, NGLs, 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 expenses.
- *Interest expense.* We finance a portion of our working capital requirements and acquisitions with borrowings under our credit facility. As a result, we incur substantial interest expense that is affected by both fluctuations in interest rates and our financing decisions. At June 30, 2013, we also had a fixed interest rate of 9.375% on senior notes having a principal balance of \$525 million, a fixed interest rate of 7.25% on senior notes having a principal balance of \$400 million, and a fixed interest rate of 6.00% on senior notes having a principal balance of \$525 million. We expect to continue to incur significant interest expense as we continue to grow.
- *Income tax expense.* Through December 31, 2011, each of our operating entities filed separate federal and state income tax returns; therefore, our provision for income taxes through that date consisted of the sum of our income tax provisions for each of the operating entities. In October

2012, we completed a reorganization of our legal structure by contributing all of the outstanding shares owned by Antero Resources LLC in each of the Antero Arkoma, Antero Piceance and Antero Pipeline corporations to Antero Appalachian. Antero Arkoma, Antero Piceance, and Antero Pipeline were first converted to limited liability companies and then liquidated as part of the reorganization. As a result, for income tax purposes, the operations subsequent to the reorganizations and tax attributes of Arkoma, Piceance and Pipeline are now combined with Antero Appalachian for tax reporting purposes. Our subsidiaries 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 and the deferral of unrealized commodity hedge gains for tax purposes until they are realized. We do pay some state income or franchise taxes where state income or franchise taxes are determined on a basis other than income. We have generated net operating loss carryforwards that expire at various dates from 2024 through 2032. We have recognized the value of these net operating losses to the extent of our deferred tax liabilities. We recorded valuation allowances for deferred tax assets at December 31, 2012 of approximately \$48 million primarily for capital loss and state loss carryforwards for which we do not believe we will realize a benefit. 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.

The calculation of our tax liabilities involves uncertainties in the application of complex tax laws and regulations. We give financial statement recognition to those tax positions that we believe are more likely than not to be sustained upon examination by the Internal Revenue Service or state revenue authorities. The financial statements included unrecognized benefits at December 31, 2012 and June 30, 2013 of \$15 million that, if recognized, would result in a reduction of other long-term liabilities and an increase in noncurrent deferred tax liabilities. No impact to our 2012 effective tax rate would result from the recognition of the tax benefits. As of June 30, 2013, we have accrued \$0.4 million of interest expense on unrecognized tax benefits.

Corporate Reorganization

The limited liability company agreement of Antero Investment to be adopted in connection with the closing of this offering provides a mechanism by which the shares of our common stock to be allocated amongst the members of Antero Investment, including Antero Resources Employee Holdings LLC, or Employee Holdings, will be determined. As a result, the satisfaction of all performance, market, and service conditions relative to the membership interests awards held by Employee Holdings will be probable. Accordingly, we will recognize approximately \$ million in a non-cash charge for stock compensation expense for the estimated fair value of the prospective distributions to Employee Holdings at the closing of this offering and an additional \$ million over the remaining service period. The charge will not have a dilutive effect on the pro forma as adjusted net tangible book value per share to new investors in this offering.

We will retain an independent valuation firm to estimate the fair value of the shares to be distributed in satisfaction of the profits interests and currently expect that it could range from approximately \$ million to \$ million and will be charged to expense at the closing of this offering and over the remaining service period, respectively. Because consideration for the membership interests awards will be deemed given by Antero Investment, the charge to expense will be accounted for as a capital contribution by Antero Investment to us and credited to additional paid-in capital.

Results of Operations

Three Months Ended June 30, 2012 Compared to Three Months Ended June 30, 2013

The following table sets forth selected operating data (as recast for discontinued operations) for the three months ended June 30, 2012 compared to the three months ended June 30, 2013:

	Three Months Ended June 30,		Amount of Increase (Decrease)	Percent Change
	2012	2013		
(in thousands, except per unit and production data)				
Operating revenues:				
Natural gas sales	\$ 44,688	\$ 172,332	\$ 127,644	286%
NGL sales	—	17,244	17,244	*
Oil sales	277	2,085	1,808	653%
Realized gains on derivative instruments	49,864	14,146	(35,718)	(72)%
Unrealized gains (losses) on derivative instruments	(55,904)	181,337	237,241	*
Total operating revenues	38,925	387,144	348,219	895%
Operating expenses:				
Lease operating expense	1,866	1,454	(412)	(22)%
Gathering, compression, processing and transportation	20,079	48,670	28,591	142%
Production taxes	3,371	10,108	6,737	200%
Exploration expenses	2,952	7,300	4,348	147%
Impairment of unproved properties	1,295	4,803	3,508	271%
Depletion, depreciation, and amortization	22,321	52,589	30,268	136%
Accretion of asset retirement obligations	24	267	243	1,013%
General and administrative	10,473	13,567	3,094	30%
Total operating expenses	62,381	138,758	76,377	122%
Operating income (loss)	(23,456)	248,386	271,842	*
Interest expense	(24,223)	(33,468)	(9,245)	38%
Income (loss) before income taxes and discontinued operations	(47,679)	214,918	262,597	*
Income tax benefit (expense)	14,442	(83,725)	(98,167)	*
Income (loss) from continuing operations	(33,237)	131,193	164,430	*
Loss from discontinued operations	(444,850)	—	444,850	*
Net income (loss) attributable to Antero members	\$ (478,087)	\$ 131,193	\$ 609,280	*
EBITDAX from continuing operations(1)	\$ 60,236	\$ 132,608	\$ 72,372	120%
Total EBITDAX(1)	\$ 106,239	\$ 132,608	\$ 26,369	25%
Production data:				
Natural gas (Bcf)	19	39	20	104%
NGLs (MBbl)	—	354	354	*
Oil (MBbl)	4	25	21	585%
Combined (Bcfe)	19	42	23	115%
Daily combined production (MMcfe/d)	213	458	245	115%
Average prices before effects of hedges(2):				
Natural gas (per Mcf)	\$ 2.31	\$ 4.37	\$ 2.06	89%
NGLs (per Bbl)	\$ —	\$ 48.70	\$ *	*
Oil (per Bbl)	\$ 77.16	\$ 85.07	\$ 7.91	10%
Combined (per Mcfe)	\$ 2.32	\$ 4.60	\$ 2.28	98%
Average realized prices after effects of hedges(2):				
Natural gas (per Mcf)	\$ 4.89	\$ 4.74	\$ (0.15)	(3)%
NGLs (per Bbl)	\$ —	\$ 48.70	\$ 48.70	*
Oil (per Bbl)	\$ 77.16	\$ 80.70	\$ 3.54	5%
Combined (per Mcfe)	\$ 4.90	\$ 4.94	\$ 0.04	1%
Average costs (per Mcfe):				
Lease operating costs	\$ 0.10	\$ 0.03	\$ (0.07)	(70)%
Gathering, compression, processing and transportation	\$ 1.04	\$ 1.17	\$ 0.13	13%
Production taxes	\$ 0.17	\$ 0.24	\$ 0.07	41%
Depletion, depreciation, amortization, and accretion	\$ 1.15	\$ 1.27	\$ 0.12	10%
General and administrative	\$ 0.54	\$ 0.33	\$ (0.21)	(39)%

(1) See "—Non-GAAP Financial Measure" for a definition of EBITDAX (a non-GAAP measure) and a reconciliation of EBITDAX from continuing and discontinued operations to net income (loss) from continuing and discontinued operations attributable to Antero members and to cash flow provided by operating activities.

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- (2) Average prices shown in the table reflect the sales prices we received before and after giving effect to 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 them as hedges for accounting purposes. Oil and NGL production was converted at 6 Mcf per Bbl to calculate total Bcfe production and per Mcfe amounts. This ratio is an estimate of the equivalent energy content of the products and does not necessarily reflect their relative economic value.

* Not meaningful or applicable

Natural gas, NGLs, and oil sales. Revenues from production of natural gas, NGLs, and oil increased from \$45 million from continuing operations for the three months ended June 30, 2012 to \$192 million for the three months ended June 30, 2013, an increase of \$147 million, or 326%. Our production increased by 115% over that same period, from 19 Bcfe from continuing operations for the three months ended June 30, 2012 to 42 Bcfe for the three months ended June 30, 2013. Net equivalent prices before the effects of realized hedge gains increased from \$2.32 per Mcfe for the three months ended June 30, 2012 to \$4.60 for the three months ended June 30, 2013, an increase of 98%. Increased production volumes accounted for an approximate \$52 million increase in year-over-year revenues (calculated as the change in year-to-year volumes times the prior year average price), and commodity price increases accounted for an approximate \$95 million increase in year-over-year revenues (calculated as the change in year-to-year average price times current year production volumes). Production increases resulted from additional producing wells as a result of the ongoing Appalachian Basin drilling program. Additionally, natural gas prices were significantly higher than the depressed price levels during the previous year's quarter, increasing from an average of \$2.31 during the three months ended June 30, 2012 to \$4.37 during the three months ended June 30, 2013.

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 resulting from cash receipts or payments on settled derivative instruments, are recognized in our results of operations. The unrealized gains and losses represent the changes in the fair value of unsettled swap agreements as the future strip prices fluctuate from the fixed price we will receive on future production.

For the three months ended June 30, 2012 and 2013, our hedges resulted in realized gains of \$50 million and \$14 million, respectively, and unrealized gains (losses) of \$(56) million and \$181 million, respectively. Futures prices increased from March 31, 2012 to June 30, 2012 and decreased from March 31, 2013 to June 30, 2013, which, along with the reversal of previously recognized unrealized gains on settled hedge agreements, accounted for the unrealized losses for the three months ended June 30, 2012 and the unrealized gains for the three months ended June 30, 2013. Derivative asset or liability positions at the end of any accounting period may reverse to the extent natural gas prices increase or decrease from their levels at the end of the accounting period or as gains or losses are realized through settlement.

Lease operating expenses. Lease operating expenses decreased by 22% from the three months ended June 30, 2012 to the three months ended June 30, 2013 from \$1.9 million to \$1.5 million due primarily to workover expenses of \$1.1 million incurred in the previous year that did not recur in 2013. On a per unit basis, lease operating expenses decreased by 70%, from \$0.10 per Mcfe for the three months ended June 30, 2012 to \$0.03 for the three months ended June 30, 2013, primarily because of the decrease in workover expenses. Excluding the 2012 workover expenses, lease operating expenses per Mcfe increased from \$0.02 in 2012 to \$0.03 in 2013.

Gathering, compression, processing and transportation expense. Gathering, compression, processing, and transportation expense increased from \$20 million for the three months ended June 30, 2012 to

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\$49 million for the three months ended June 30, 2013, primarily due to an increase in production volumes, increased costs on firm transportation commitments and processing charges incurred in the 2013 period but not the 2012 period. On a per unit basis, gathering, compression, processing and transportation expense increased by \$0.13 per Mcfe, or 13%, for the three months ended June 30, 2013 compared to the three months ended June 30, 2012. We began processing natural gas in order to extract NGLs in October 2012 and this resulted in an increase of \$0.13 per Mcfe. Increased gathering and compression charges of \$0.15 per Mcfe were offset by a reduction of per unit firm transportation fees of \$0.15 per unit. Firm transportation charges increased by \$3 million for the three months ended June 30, 2013 compared to the prior year period, but decreased on a per unit basis by \$0.15 per Mcfe as total production increased from the prior year period. We enter into long-term firm transportation agreements for a significant part of our current and expected future production in order to secure guaranteed capacity on major pipelines.

Production taxes. Total production taxes increased by approximately \$7 million for the three months ended June 30, 2013 compared to the three months ended June 30, 2012, primarily as a result of increased production. On a per unit basis, production taxes increased from \$0.17 to \$0.24 per Mcfe. Production taxes as a percentage of natural gas, NGL, and oil revenues were 7.5% and 5.3% for the three months ended June 30, 2012 and 2013, respectively. Production taxes declined as a percent of production revenues because of higher per unit sales prices during the three months ended June 30, 2013 compared to the three months ended June 30, 2012 and the impact of this on the West Virginia production tax liability.

Exploration expense. Exploration expense increased from \$3 million for the three months ended June 30, 2012 to \$7 million for the three months ended June 30, 2013 primarily due to an increase in the cost of unsuccessful lease acquisition efforts as we increased the number of third-party lease brokers contracted in the Appalachian Basin.

Impairment of unproved properties. Impairment of unproved properties was approximately \$1 million for the three months ended June 30, 2012 compared to \$5 million for the three months ended June 30, 2013. The increase in impairment charges was due to an increase in expiring acreage and ongoing evaluation of our undeveloped Marcellus acreage. We charge impairment expense for 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, expected well economics, or future plans to develop the acreage.

DD&A. DD&A increased from \$22 million for the three months ended June 30, 2012 to \$53 million for the three months ended June 30, 2013, primarily because of increased production. DD&A per Mcfe increased by 10% from \$1.15 per Mcfe during the three months ended June 30, 2012 to \$1.27 per Mcfe during the three months ended June 30, 2013 as a result of increased depreciation on gathering systems and facilities and increased proved property costs subject to depletion.

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. No impairment expenses were recorded for the three months ended June 30, 2012 or 2013 for proved properties.

General and administrative expense. General and administrative expense increased from \$10 million for the three months ended June 30, 2012 to \$14 million for the three months ended June 30, 2013, primarily as a result of increased staffing levels and related salary and benefits expenses and increases in legal and other general corporate expenses, all of which resulted from our growth in production levels and development activities. On a per unit basis, general and administrative expense decreased by 39%, from \$0.54 per Mcfe during the three months ended June 30, 2012 to \$0.33 per

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Mcfe during the three months ended June 30, 2013, primarily due to a 115% increase in production during that time. We had 132 employees as of June 30, 2012 and 184 employees as of June 30, 2013.

Interest expense. Interest expense increased from \$24 million for the three months ended June 30, 2012 to \$33 million for the three months ended June 30, 2013, primarily due to the issuance of a total of \$525 million of 6.00% senior notes due 2020 during the fourth quarter of 2012 and the first quarter of 2013. Interest expense includes approximately \$2 million of non-cash amortization of deferred financing costs for both the three months ended June 30, 2012 and 2013.

Income tax benefit (expense). Income tax benefit (expense) changed from a deferred benefit of \$14 million for the three months ended June 30, 2012 to a deferred expense of \$84 million for the three months ended June 30, 2013. The deferred benefit in 2012 resulted primarily from unrealized commodity derivative losses. The deferred expense in 2013 resulted from pre-tax income of \$215 million which included \$181 million of unrealized commodity derivative gains.

At December 31, 2012, we had approximately \$1.0 billion of U.S. federal net operating loss carryforwards, or NOLs, and approximately \$1.3 billion of state NOLs, which expire starting in 2024 through 2032. From time to time, there has been proposed legislation in the U.S. Congress to eliminate or limit future deductions for intangible drilling costs; such legislation could significantly affect our future taxable position if passed. The impact of any change will be recorded in the period that such legislation might be enacted.

The calculation of our tax liabilities involves uncertainties in the application of complex tax laws and regulations. We give financial statement recognition to those tax positions that we believe are more likely than not to be sustained upon examination by the Internal Revenue Service or state revenue authorities. Our financial statements included unrecognized benefits at June 30, 2013 of \$15 million that, if recognized, would result in a reduction of other long-term liabilities and an increase in noncurrent deferred tax liabilities. As of June 30, 2013, we had accrued approximately \$0.4 million of interest on unrecognized tax benefits.

Loss from discontinued operations. The loss from discontinued operations for the three months ended June 30, 2012 resulted from the recasting of the revenues and direct expenses from the Piceance and Arkoma properties, which were sold during 2012, as discontinued operations. The loss from discontinued operations for the three months ended June 30, 2012 includes a \$427 million loss on the sale of the Arkoma properties. We did not reclassify any general and administrative expenses or interest expense from continuing operations to discontinued operations.

Six Months Ended June 30, 2012 Compared to Six Months Ended June 30, 2013

The following table sets forth selected operating data (as recast for discontinued operations) for the six months ended June 30, 2012 compared to the six months ended June 30, 2013:

	Six Months Ended June 30,		Amount of Increase (Decrease)	Percent Change
	2012	2013		
(in thousands, except per unit and production data)				
Operating revenues:				
Natural gas sales	\$ 89,822	\$ 294,278	\$ 204,456	228%
NGL sales	—	27,816	27,816	*
Oil sales	325	2,962	2,637	811%
Realized gains on derivative instruments	96,716	62,277	(34,439)	(36)%
Unrealized gains on derivative instruments	114,498	61,265	(53,233)	(46)%
Gain on sale of gathering system	291,305	—	(291,305)	*
Total operating revenues	592,666	448,598	(144,068)	(24)%
Operating expenses:				
Lease operating expense	2,559	2,525	(34)	(1)%
Gathering, compression, processing, and transportation	31,654	89,640	57,986	183%
Production taxes	7,113	18,727	11,614	163%
Exploration expenses	4,756	11,662	6,906	145%
Impairment of unproved properties	1,581	6,359	4,778	302%
Depletion, depreciation, and amortization	38,431	92,953	54,522	142%
Accretion of asset retirement obligations	46	531	485	1,054%
General and administrative	19,646	26,284	6,638	34%
Total operating expenses	105,786	248,681	142,895	135%
Operating income (loss)	486,880	199,917	(286,963)	(59)%
Interest expense	(48,593)	(63,396)	(14,803)	30%
Income before income taxes and discontinued operations	438,287	136,521	(301,766)	(69)%
Income tax expense	(183,969)	(53,325)	130,644	(71)%
Income from continuing operations	254,318	83,196	(171,122)	(67)%
Loss from discontinued operations	(404,674)	—	404,674	*
Net income (loss) attributable to Antero members	\$ (150,356)	\$ 83,196	\$ 233,552	*
EBITDAX from continuing operations(1)	\$ 127,887	\$ 251,357	\$ 123,470	97%
Total EBITDAX(1)	\$ 228,579	\$ 251,357	\$ 22,778	10%
Production data:				
Natural gas (Bcf)	35	73	38	105%
NGLs (MBbl)	—	559	559	*
Oil (MBbl)	4	35	31	764%
Combined (Bcfe)	35	76	41	116%
Daily combined production (MMcfe/d)	195	421	226	116%
Average prices before effects of hedges(2):				
Natural gas (per Mcf)	\$ 2.53	\$ 4.05	\$ 1.52	60%
NGLs (per Bbl)	\$ —	\$ 49.75	\$ 49.75	*
Oil (per Bbl)	\$ 80.05	\$ 85.36	\$ 5.31	7%
Combined (per Mcfe)	\$ 2.54	\$ 4.27	\$ 1.73	68%
Average realized prices after effects of hedges(2):				
Natural gas (per Mcf)	\$ 5.26	\$ 4.91	\$ (0.35)	(7)%
NGLs (per Bbl)	\$ —	\$ 49.75	\$ 49.75	*
Oil (per Bbl)	\$ 80.05	\$ 79.14	\$ (0.91)	(1)%
Combined (per Mcfe)	\$ 5.26	\$ 5.09	\$ (0.17)	(3)%
Average costs (per Mcfe):				
Lease operating costs	\$ 0.07	\$ 0.03	\$ (0.04)	(57)%
Gathering, compression, and transportation	\$ 0.89	\$ 1.18	\$ 0.29	33%
Production taxes	\$ 0.20	\$ 0.25	\$ 0.05	25%
Depletion, depreciation, amortization, and accretion	\$ 1.08	\$ 1.23	\$ 0.15	14%
General and administrative	\$ 0.55	\$ 0.35	\$ (0.20)	(36)%

(1) See "—Non-GAAP Financial Measure" for a definition of EBITDAX (a non-GAAP measure) and a reconciliation of EBITDAX from continuing and discontinued operations to net income (loss) from continuing and discontinued operations attributable to Antero members and to cash flow provided by operating activities.

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- (2) Average prices shown in the table reflect the sales prices we received before and after giving effect to 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 them as hedges for accounting purposes. Oil and NGL production was converted at 6 Mcf per Bbl to calculate total Bcfe production and per Mcfe amounts. This ratio is an estimate of the equivalent energy content of the products and does not necessarily reflect their relative economic value.

* Not meaningful or applicable

Natural gas, NGLs, and oil sales. Revenues from production of natural gas, NGLs, and oil increased from \$90 million from continuing operations for the six months ended June 30, 2012 to \$325 million for the six months ended June 30, 2013, an increase of \$235 million, or 261%. Our production increased by 116% over that same period, from 35 Bcfe from continuing operations for the six months ended June 30, 2012 to 76 Bcfe for the six months ended June 30, 2013. Net equivalent prices before the effects of realized hedge gains increased from \$2.54 per Mcfe for the six months ended June 30, 2012 to \$4.27 for the six months ended June 30, 2013, an increase of 68%. Increased production volumes accounted for an approximate \$103 million increase in year-over-year revenues (calculated as the change in year-to-year volumes times the prior year average price), and commodity price increases accounted for an approximate \$132 million increase in year-over-year revenues (calculated as the change in year-to-year average price times current year production volumes). Production increases resulted from additional producing wells as a result of the ongoing Appalachian Basin drilling program. Additionally, natural gas prices were significantly higher than the depressed price levels during the previous year period, increasing from an average of \$2.53 during the six months ended June 30, 2012 to \$4.05 during the six months ended June 30, 2013.

Commodity hedging activities. For the six months ended June 30, 2012 and 2013, our hedges resulted in realized gains of \$97 million and \$62 million, respectively, and unrealized gains of \$114 million and \$61 million, respectively. Futures prices decreased from December 31, 2011 to June 30, 2012 and also from December 31, 2012 to June 30, 2013, which accounted for the unrealized gains for the six months ended June 30, 2012 and 2013. Derivative asset or liability positions at the end of any accounting period may reverse to the extent natural gas strip prices increase or decrease from their levels at the end of the accounting period or as gains or losses are realized through settlement.

Lease operating expenses. Lease operating expenses were approximately \$3 million during each of the six month periods ending June 30, 2012 and 2013. On a per unit basis, lease operating expenses decreased by 57%, from \$0.07 per Mcfe for the six months ended June 30, 2012 to \$0.03 for the six months ended June 30, 2013, primarily because of a decrease in workover expenses and because, during the early stages of production for Appalachian Basin wells, operating and maintenance expenses are low and initial production rates are higher than for wells that have been producing for longer periods of time. Excluding the effect of workover expenses in 2012, lease operating expenses on a per unit basis were \$0.03 per Mcfe during both the six months ended June 30, 2012 and 2013.

Gathering, compression, processing and transportation expense. Gathering, compression, processing and transportation expense increased from \$32 million for the six months ended June 30, 2012 to \$90 million for the six months ended June 30, 2013, primarily due to an increase in production volumes, increased costs on firm transportation commitments, and processing charges incurred in the 2013 period but not the 2012 period. On a per unit basis, gathering, compression, and transportation expense increased by \$0.29 per Mcfe, or 33%, for the six months ended June 30, 2013 compared to the six months ended June 30, 2012. In October 2012, we began processing natural gas in order to extract NGLs and the resulting processing charges accounted for \$0.14 per Mcfe of the increase in gathering, compression, processing and transportation expense from the six months ended June 30, 2012 to June 30, 2013. Increased gathering, fuel, and compression charges accounted for \$0.26 per Mcfe of the year-over-year increase and were offset by a \$0.12 per Mcfe decrease in firm transportation charges. Firm transportation charges increased by \$7 million for the six months ended June 30, 2013 compared to the prior year period, but decreased by \$0.12 per Mcfe as total production increased from the prior

year period. We enter into long-term firm transportation agreements for a significant part of our current and expected future production in order to secure guaranteed capacity on major pipelines.

Production taxes. Total production taxes increased by approximately \$12 million for the six months ended June 30, 2013 compared to the six months ended June 30, 2012, primarily as a result of increased production. On a per unit basis, production taxes increased from \$0.20 to \$0.25 per Mcfe. Production taxes as a percentage of natural gas, NGL, and oil revenues were 7.9% and 5.8% for the six months ended June 30, 2012 and 2013, respectively. Production taxes declined as a percent of production revenues because of higher per unit sales prices during the six months ended June 30, 2013 compared to the six months ended June 30, 2012 and the impact of this on the West Virginia production tax liability.

Exploration expense. Exploration expense increased from \$5 million for the six months ended June 30, 2012 to \$12 million for the six months ended June 30, 2013 primarily due to an increase in the cost of unsuccessful lease acquisition efforts as we have increased the number of third-party lease brokers contracted in the Appalachian Basin.

Impairment of unproved properties. Impairment of unproved properties was approximately \$2 million for the six months ended June 30, 2012 compared to \$6 million for the six months ended June 30, 2013. The increase in impairment charges was due to an increase in expiring acreage and ongoing evaluation of our undeveloped Marcellus acreage. We charge impairment expense for 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, expected well economics, or future plans to develop the acreage.

DD&A. DD&A increased from \$38 million for the six months ended June 30, 2012 to \$93 million for the six months ended June 30, 2013, primarily because of increased production. DD&A per Mcfe increased by 14% from \$1.08 per Mcfe during the six months ended June 30, 2012 to \$1.23 per Mcfe during the six months ended June 30, 2013 as a result of increased depreciation on gathering systems and facilities and increased proved property costs subject to depletion.

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. No impairment expenses were recorded for the six months ended June 30, 2012 or 2013 for proved properties.

General and administrative expense. General and administrative expense increased from \$20 million for the six months ended June 30, 2012 to \$26 million for the six months ended June 30, 2013, primarily as a result of increased staffing levels and related salary and benefits expenses and increases in legal and other general corporate expenses, all of which resulted from our growth in production levels and development activities. On a per unit basis, general and administrative expense decreased by 36%, from \$0.55 per Mcfe during the six months ended June 30, 2012 to \$0.35 per Mcfe during the six months ended June 30, 2013, primarily due to a 116% increase in production during that time. We had 150 employees as of December 31, 2012 and 184 employees as of June 30, 2013.

Interest expense. Interest expense increased from \$49 million for the six months ended June 30, 2012 to \$63 million for the six months ended June 30, 2013, primarily due to the issuance of a total of \$525 million of 6.00% senior notes due 2020 during the fourth quarter of 2012 and the first quarter of 2013. Interest expense includes approximately \$2 million and \$3 million of non-cash amortization of deferred financing costs for the six months ended June 30, 2012 and 2013, respectively.

Income tax benefit (expense). Income tax expense of \$184 million and \$53 million for the six months ended June 30, 2012 and 2013, respectively, relates to pre-tax income from continuing

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operations of \$438 million and \$137 million for the six months ended June 30, 2012 and 2013, respectively. Pre-tax income includes unrealized commodity derivative gains of \$114 million and \$61 million during the six months ended June 30, 2012 and 2013, respectively, and a \$291 million gain on the sale of assets in 2012.

At December 31, 2012, we had approximately \$1.0 billion of U.S. federal NOLs and approximately \$1.3 billion of state NOLs, which expire starting in 2024 through 2032. From time to time, there has been proposed legislation in the U.S. Congress to eliminate or limit future deductions for intangible drilling costs; such legislation could significantly affect our future taxable position if passed. The impact of any change will be recorded in the period that such legislation might be enacted.

The calculation of our tax liabilities involves uncertainties in the application of complex tax laws and regulations. We give financial statement recognition to those tax positions that we believe are more likely than not to be sustained upon examination by the Internal Revenue Service or state revenue authorities. Our financial statements included unrecognized benefits at June 30, 2013 of \$15 million that, if recognized, would result in a reduction of other long-term liabilities and an increase in noncurrent deferred tax liabilities. As of June 30, 2013, we have accrued approximately \$0.4 million of interest on unrecognized tax benefits.

Loss from discontinued operations. The loss from discontinued operations for the six months ended June 30, 2012 resulted from the recasting of the revenues and direct expenses from the Piceance and Arkoma properties, which were sold during 2012, as discontinued operations. The loss from discontinued operations of \$405 million for the six months ended June 30, 2012 includes a \$427 million loss on the sale of the Arkoma properties. We did not reclassify any general and administrative expenses or interest expense from continuing operations to discontinued operations.

Year Ended December 31, 2011 Compared to Year Ended December 31, 2012

The following table sets forth selected operating data (as recast for discontinued operations) for the year ended December 31, 2011 compared to the year ended December 31, 2012:

(in thousands, except per unit data)	Year Ended December 31,		Amount of Increase (Decrease)	Percent Change
	2011	2012		
Operating revenues:				
Natural gas sales	\$ 195,116	\$ 259,743	\$ 64,627	33%
NGL sales	—	3,719	3,719	*
Oil sales	173	1,520	1,347	779%
Realized commodity derivative gains	49,944	178,491	128,547	257%
Unrealized commodity derivative gains	446,120	1,055	(445,065)	(100)%
Gain on sale of assets	—	291,190	291,190	*
Total operating revenues	691,353	735,718	44,365	6%
Operating expenses:				
Lease operating expenses	4,608	6,243	1,635	35%
Gathering, compression, processing and transportation	37,315	91,094	53,779	144%
Production taxes	11,915	20,210	8,295	70%
Exploration	4,034	14,675	10,641	264%
Impairment of unproved properties expense	4,664	12,070	7,406	159%
Depletion, depreciation and amortization	55,716	102,026	46,310	83%
Accretion of asset retirement obligations	76	101	25	33%
General and administrative expense	33,342	45,284	11,942	36%
Loss on sale of compressor station	8,700	—	(8,700)	*
Total operating expenses	160,370	291,703	131,333	82%
Operating income	530,983	444,015	(86,968)	(16)%
Other income expense:				
Interest expense	\$ (74,404)	\$ (97,510)	\$ (23,106)	31%
Realized and unrealized interest rate derivative losses	(94)	—	94	*
Total other expense	(74,498)	(97,510)	(23,012)	31%
Income before income taxes and discontinued operations	456,485	346,505	(109,980)	(24)%
Income taxes expense	(185,297)	(121,229)	(64,068)	(35)%
Income from continuing operations	271,188	225,276	(45,912)	(17)%
Income (loss) from discontinued operations	121,490	(510,345)	(631,835)	*
Net income (loss) attributable to Antero equity owners	\$ 392,678	\$ (285,069)	\$ (677,747)	(173)%
EBITDAX from continuing operations(1)	\$ 160,259	\$ 284,710	\$ 124,451	78%
EBITDAX from discontinued operations(1)	180,562	149,605	(30,957)	(17)%
Total EBITDAX(1)	\$ 340,821	\$ 434,315	\$ 93,494	27%
Production data:				
Natural gas (Bcf)	45	87	42	93%
NGLs (MBbl)	—	71	71	*
Oil (MBbl)	2	19	17	963%
Combined (Bcfe)	45	87	42	93%
Daily combined production (MMcfe/d)	124	239	115	93%
Average sales prices before effects of hedges(2):				
Natural gas (per Mcf)	\$ 4.33	2.99	(1.34)	(31)%
NGLs (per Bbl)	—	52.07	52.07	*
Oil (per Bbl)	\$ 97.19	80.34	(16.85)	(17)%
Combined (per Mcfe)	\$ 4.33	3.03	(1.30)	(30)%
Average realized sales prices after effects of hedges(2):				
Natural gas (per Mcf)	\$ 5.44	5.05	(0.39)	(7)%
NGLs (per Bbl)	—	52.07	52.07	*
Oil (per Bbl)	\$ 97.19	80.34	(16.85)	(17)%
Combined (per Mcfe)	\$ 5.44	5.08	(0.36)	(7)%
Average costs (per Mcfe):				
Lease operating costs	\$ 0.10	0.07	(0.03)	(30)%
Gathering compression and transportation	\$ 0.83	1.04	0.21	25%
Production taxes	\$ 0.26	0.23	(0.03)	(12)%
Depletion depreciation amortization and accretion	\$ 1.24	1.17	(0.07)	(6)%
General and administrative	\$ 0.74	0.52	(0.22)	(30)%

(1) See "Selected Historical Consolidated Financial Data" included elsewhere in this prospectus for a definition of EBITDAX (a non-GAAP measure) and a reconciliation of EBITDAX to net income (loss).

(2) Average sales 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

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hedge accounting because we do not designate or document them as hedges for accounting purposes. Oil and NGL production was converted at 6 Mcf per Bbl to calculate total Bcfe production and per Mcfe amounts. This ratio is an estimate of the equivalent energy content of the products and does not necessarily reflect their relative economic value.

* Not meaningful or applicable.

Natural gas, NGLs, and oil sales. Combined revenues from production of natural gas, NGLs, and oil increased from \$195 million for the year ended December 31, 2011 to \$265 million for the year ended December 31, 2012, an increase of \$70 million, or 36%. Our production increased by 94% from 45 Bcfe in 2011 to 87 Bcfe in 2012. Increased production volumes increased revenues by \$183 million, or 93%, (calculated as the increase in year-to-year volumes times the prior year average price), and combined commodity price decreases accounted for a \$113 million, or 58% decrease in revenues (calculated as the decrease in year-to-year average combined price times current year production volumes).

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 resulting from cash receipts or payments on settled derivative instruments, are recognized in our results of operations. The unrealized gains and losses represent the changes in the fair value of unsettled swap agreements as the future strip prices fluctuate from the fixed price we will receive on future production. For the years ended December 31, 2011 and 2012, our hedges resulted in realized gains of \$50 million and \$178 million, respectively. For the years ended December 31, 2011 and 2012, our hedges resulted in unrealized gains of \$446 million and \$1 million, respectively. Unrealized gains in 2011 resulted from, (i) lower commodity prices at December 31, 2011 compared to December 31, 2010 for contracts outstanding at the end of both years and, (ii) from commodity prices at December 31, 2011 being lower than commodity swap prices for new contracts entered into in 2011. Additionally, prices did not vary significantly from year-end 2011 prices.

Gain on sale of Appalachian gathering assets. On March 26, 2012, we closed the sale of a portion of our Marcellus Shale gathering system assets along with exclusive rights to gather and compress our gas for a 20-year period within an area of dedication, or AOD, to a joint venture owned by Crestwood Midstream Partners and Crestwood Holdings Partners LLC (together, "Crestwood") for \$375 million (subject to customary purchase price adjustments). The sale included approximately 25 miles of low pressure pipeline systems and gathering rights on 104,000 net acres held by us within a 250,000 acre AOD and had an effective date of January 1, 2012. Other third-party producers will also have access to the Crestwood system. During the first seven years of the contract, we are committed to deliver minimum volumes into the gathering systems, with certain carryback and carryforward adjustments for overages or deficiencies. We can earn up to an additional \$40 million of sale proceeds if we meet certain volume thresholds over the first three years of the contract. Crestwood is obligated to incur all future capital costs to build out gathering systems and compression facilities within the AOD to connect our wells as it executes its drilling program and has assumed the various risks and rewards of the system build-out and operations. Because we have not retained the substantial risks and rewards of ownership associated with the gathering rights and systems transferred to Crestwood, it has recognized a gain on the sale of the gathering system and gathering rights of approximately \$291 million.

Lease operating expenses. Lease operating expenses increased from \$5 million for the year ended December 31, 2011 to \$6 million in 2012, primarily as a result of increased production. On a per-Mcfe basis, lease operating expenses decreased by 30%, from \$0.10 per Mcfe in 2011 to \$0.07 per Mcfe in 2012 primarily because of costs increasing at a lower rate than production. Because our Appalachian Basin properties are in a relatively early stage of production, production rates are high and per unit

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lease operating expenses are low. Lease operating expenses are expected to increase on a per unit basis as the properties mature and production declines on a per well basis.

Gathering, compression, processing and transportation expense. Gathering, compression, processing and transportation expense increased from \$37 million for the year ended December 31, 2011 to \$91 million in 2012. The increase in these expenses resulted from the increase in production, increased firm transportation commitments, and increases in third-party compression and gathering expenses as we move to outsource some of our compression and gathering activities. On a per-Mcfe basis, total gathering, compression, processing and transportation expenses increased from \$0.83 per Mcfe for 2011 to \$1.04 in 2012.

Production tax expense. Total production taxes increased from \$12 million for the year ended December 31, 2011 to \$20 million for the year ended December 31, 2012, primarily as a result of increased production. Production taxes as a percentage of natural gas, NGLs, and oil revenues before the effects of hedging were 6.1% for the year ended December 31, 2011 compared to 7.6% for the year ended December 31, 2012. West Virginia ad valorem taxes, which are based on the value of oil and gas reserves, accounted for the increase in the ratio of production tax expense to revenues as we increased our Appalachian reserves.

Exploration expense. Exploration expense increased from \$4 million for the year ended December 31, 2011 to \$15 million for the year ended December 31, 2012 primarily because of an increase in the cost of unsuccessful lease acquisition efforts as we materially increased the number of third-party lease brokers providing services to us in the Appalachian Basin.

Impairment of unproved properties. Impairment of unproved properties was approximately \$5 million for the year ended December 31, 2011 compared to \$12 million for the year ended December 31, 2012. The increase in impairment charges was due to an increase in expiring acreage and ongoing evaluation of our undeveloped Marcellus acreage. We charge impairment expense for 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.

DD&A. DD&A increased from \$56 million for the year ended December 31, 2011 to \$102 million for the year ended December 31, 2012, an increase of \$46 million, as a result of increased production in 2012 compared to 2011. DD&A per Mcfe decreased 6%, from \$1.24 per Mcfe during 2011 to \$1.17 per Mcfe during 2012 as a result of the increased proved reserves in 2012.

We evaluate the impairment of our proved natural gas, NGLs, 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 years ended December 31, 2011 or 2012 for proved properties. As of December 31, 2012, no significant exploratory well costs had been deferred for over one year pending proved reserves determination.

General and administrative expense. General and administrative expense increased from \$33 million for the year ended December 31, 2011 to \$45 million during 2012, an increase of \$12 million. The increase is due to increased costs related to salaries, employee benefits, contract personnel and other general business expenses required to support the growth of our capital expenditure program and production levels. The number of our full-time employees grew from 107 at December 31, 2011 to 150 at December 31, 2012. On a per-Mcfe basis, general and administrative expense decreased by 30%, from \$0.74 per Mcfe during the year ended December 31, 2011 to \$0.52 per Mcfe during 2012 primarily due to a 93% growth in production. No portion of general and

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administrative expenses was allocated to discontinued operations as we do not expect any reduction of such expenses as a result of the sale of the Arkoma and Piceance properties. When all discontinued operations are included, general and administrative expenses were \$0.37 per Mcfe for both 2011 and 2012.

Interest expense and realized and unrealized gains and losses on interest rate derivatives. Interest expense increased from \$74 million for the year ended December 31, 2011 to \$98 million for the year ended December 31, 2012, an increase of \$24 million as a result of an increase in the amount of senior notes outstanding during 2012 compared to during 2011.

Income tax expense. For each tax year-end through December 31, 2011, Antero Resources LLC and each of its subsidiaries filed separate federal and state income tax returns. Antero Resources LLC is a partnership for income tax purposes and therefore is not subject to federal or state income taxes. The tax on the income of Antero Resources LLC is borne by its individual members through the allocation of taxable income. In October 2012, we completed a reorganization of its legal structure by contributing all of the outstanding shares owned by Antero Resources LLC in each of the Antero Arkoma, Antero Piceance, and Antero Pipeline corporations to Antero Appalachian. Antero Arkoma, Antero Piceance, and Antero Pipeline were first converted to limited liability companies and then liquidated as part of the reorganization. As a result, for income tax purposes, the operations subsequent to the liquidations and tax attributes of Arkoma, Piceance and Pipeline are now combined with Antero Appalachian for tax reporting purposes.

Income tax expense related to continuing operations was \$121 million in 2012 compared to \$185 million in 2011. Although we have accrued \$15 million at December 31, 2012 for unrecognized tax benefits, no taxes are due at the end of either December 31, 2011 or 2012. We have not 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. At December 31, 2012, we had approximately \$1.0 billion of U.S. Federal net operating loss carryforwards, or NOLs, and approximately \$1.3 billion of state NOLs, which expire starting in 2024 and through 2032. At December 31, 2012, we recorded valuation allowances of approximately \$48 million for deferred tax assets primarily related to capital loss and state loss carryforwards. From time to time there has been proposed legislation in the U.S. Congress to eliminate or limit future deductions for intangible drilling costs; such legislation could significantly affect our future taxable position if passed. The impact of any change will be recorded in the period that such legislation might be enacted.

The calculation of our tax liabilities involves uncertainties in the application of complex tax laws and regulations. We give financial statement recognition to those tax positions that we believe are more-likely-than-not to be sustained upon examination by the Internal Revenue Service or state revenue authorities. The financial statements include unrecognized benefits at December 31, 2012 of \$15 million that, if recognized, would result in a reduction of current income taxes payable and an increase in noncurrent deferred tax liabilities. No impact to our 2012 effective tax rate would result. As of December 31, 2012, no interest or penalties have been accrued on unrecognized tax benefits. We had no unrecognized tax benefits at December 31, 2010 or 2011.

Income (loss) from discontinued operations. Income (loss) from discontinued operations includes the results of operations from the Arkoma Basin and Piceance Basin operations (including revenues and direct operating expenses and allocated income tax expense, but not general and administrative or interest expenses) and, in 2012, the loss on the sale of these assets. A detailed analysis of these operations is included in note 3 to the consolidated financial statements included elsewhere in this prospectus. Income (loss) from discontinued operations decreased from income of \$121 million in 2011 to a loss of \$510 million in 2012, primarily as a result of the loss on the sale of the properties of \$796 million and a \$273 million tax benefit from the loss.

Year Ended December 31, 2010 Compared to Year Ended December 31, 2011

The following table sets forth selected operating data (as recast for discontinued operations) for the year ended December 31, 2010 compared to the year ended December 31, 2011:

(in thousands, except per unit data)	Year Ended December 31,			
	2010	2011	Amount of Increase (Decrease)	Percent Change
Operating revenues:				
Natural gas sales	\$ 47,392	\$ 195,116	\$ 147,724	312%
Oil sales	39	173	134	344%
Realized commodity derivative gains	15,063	49,944	34,881	232%
Unrealized commodity derivative gains	62,536	446,120	383,584	613%
Total operating revenues	125,030	691,353	566,323	453%
Operating expenses:				
Lease operating expenses	1,158	4,608	3,450	298%
Gathering, compression, processing and transportation	9,237	37,315	28,078	304%
Production taxes	2,885	11,915	9,030	313%
Exploration expenses	2,350	4,034	1,684	72%
Impairment of unproved properties	6,076	4,664	(1,412)	(23)%
Depletion, depreciation and amortization	18,522	55,716	37,194	201%
Accretion of asset retirement obligations	11	76	65	591%
Expenses related to acquisition of business	2,544	—	(2,544)	*
General and administrative	21,952	33,342	11,390	52%
Loss on sale of compressor station	—	8,700	8,700	*
Total operating expenses	64,735	160,370	95,635	148%
Operating income	60,295	530,983	470,688	781%
Other expense:				
Interest expense	(56,463)	(74,404)	17,941	32%
Realized and unrealized interest rate derivative losses	(2,677)	(94)	(2,583)	(96)%
Total other expense	(59,140)	(74,498)	15,358	26%
Income before income taxes and discontinued operations	1,155	456,485	455,330	*
Income tax expense	(939)	(185,297)	(184,358)	*
Income (loss) from continuing operations	216	271,188	270,972	*
Income from discontinued operations	228,412	121,490	(106,922)	(47)%
Net income attributable to Antero equity owners	\$ 228,628	\$ 392,678	\$ 164,050	72%
EBITDAX from continuing operations(1)	\$ 27,824	\$ 160,259	\$ 132,435	476%
EBITDAX from discontinued operations(1)	169,854	180,562	10,708	6%
Total EBITDAX(1)	\$ 197,678	\$ 340,821	\$ 143,143	72%
Production data:				
Natural gas (Bcf)	11	45	34	317%
Oil (MBbl)	—	2	2	*
Combined (Bcfe)	11	45	34	317%
Daily combined production (MMcfe/d)	30	124	94	317%
Average sales prices before effects of hedges(2):				
Natural gas (per Mcf)	\$ 4.39	\$ 4.33	\$ (0.06)	(1)%
Oil (per Bbl)	—	\$ 97.19	*	*
Combined (per Mcfe)	\$ 4.39	\$ 4.33	\$ (0.06)	(1)%
Average realized sales prices after effects of hedges(2):				
Natural gas (per Mcf)	\$ 5.78	\$ 5.44	\$ (0.34)	(6)%
Oil (per Bbl)	—	\$ 97.19	*	*
Combined (per Mcfe)	\$ 5.78	\$ 5.44	\$ (0.34)	(6)%
Average costs (per Mcfe)(2):				
Lease operating costs	\$ 0.11	\$ 0.10	\$ (0.01)	(9)%
Gathering, compression, processing and transportation	\$ 0.85	\$ 0.83	\$ (0.02)	(2)%
Production taxes	\$ 0.27	\$ 0.26	\$ (0.01)	(4)%
Depletion, depreciation and amortization	\$ 1.71	\$ 1.24	\$ (0.47)	(27)%
General and administrative	\$ 2.03	\$ 0.74	\$ (1.29)	(64)%

(1) See "Selected Historical Consolidated Financial Data" included elsewhere in this prospectus for a definition of EBITDAX (a non-GAAP measure) and a reconciliation of EBITDAX to net income (loss).

(2) Average sales 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

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qualify for hedge accounting because we do not designate or document them as hedges. Oil and NGL production was converted at 6 Mcf per Bbl to calculate total Bcfe production and per Mcfe amounts. This ratio is an estimate of the equivalent energy content of the products and does not necessarily reflect their relative economic value.

* Not meaningful or applicable.

Natural gas, NGLs, and oil sales. Revenues from production of natural gas, NGLs, and oil increased from \$47 million for the year ended December 31, 2010 to \$195 million for the year ended December 31, 2011, an increase of \$148 million or 312%. Our production increased by 317% from 11 Bcfe in 2010 to 45 Bcfe in 2011. The net increase in revenues resulted from production volume increases reduced by commodity price decreases. Production increases accounted for a \$150 million, or 317%, increase in revenues (calculated as the increase in year-to-year volumes times the prior year average price). Price decreases accounted for a \$2 million, or 5%, decrease in revenues (calculated as the decrease in year-to-year average price times current year production volumes).

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 resulting from cash receipts or payments on settled derivative instruments, are recognized in our results of operations. The unrealized gains and losses represent the changes in the fair value of unsettled swap agreements as the future strip prices fluctuate from the fixed price we will receive on future production. For the years ended December 31, 2010 and 2011, our hedges resulted in realized gains of \$15 million and \$50 million, respectively. For the years ended December 31, 2010 and 2011, our hedges resulted in unrealized gains of \$63 million and \$446 million, respectively. The increase in unrealized gains from 2010 to 2011 resulted primarily from the decrease in natural gas prices.

Lease operating expenses. Lease operating expenses increased from \$1 million for the year ended December 31, 2010 to \$5 million in 2011, an increase of \$4 million, as a result of a 317% increase in production.

Gathering, compression, processing and transportation expense. Gathering, compression, processing and transportation expense increased from \$9 million for the year ended December 31, 2010 to \$37 million in 2011 because of the increase in production and increased firm transportation commitments. On a per-Mcfe basis, these expenses decreased slightly from \$0.85 per Mcfe for 2010 to \$0.83 per Mcfe for 2011.

Production tax expense. Total production taxes increased from \$3 million for the year ended December 31, 2010 to \$12 million for the year ended December 31, 2011, as a result of increased production. Production taxes as a percentage of natural gas and oil revenues before the effects of hedging were 6.1% in both years.

Exploration expense. Exploration expense increased from \$2 million for the year ended December 31, 2010 to \$4 million for the year ended December 31, 2011, primarily because of an increase in the cost of unsuccessful lease acquisition efforts as we materially increased the number of third-party lease brokers providing services to us in the Appalachian Basin.

Impairment of unproved properties. 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 short remaining lease terms, reservoir performance, commodity price outlooks or future plans to develop the acreage and recognize impairment costs accordingly. Our impairment of unproved property expense decreased from \$6 million for the year ended December 31, 2010 to \$5 million for the year ended December 31, 2011.

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DD&A. DD&A increased from \$19 million for the year ended December 31, 2010 to \$56 million for the year ended December 31, 2011, an increase of \$37 million as a result of increased production. DD&A per Mcfe decreased from \$1.71 per Mcfe to \$1.24 per Mcfe, primarily as a result of increased reserve volumes in 2011 compared to 2010. As a successful efforts company, we evaluate the impairment of our proved natural gas, NGLs, 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 years ended December 31, 2010 or 2011 for proved properties. As of December 31, 2011, no significant well costs had been deferred for over one year pending proved reserves determination.

General and administrative expense. General and administrative expense increased from \$22 million for the year ended December 31, 2010 to \$33 million for 2011, an increase of \$11 million. The increase is primarily due to increased costs related to salaries, employee benefits, contract personnel and professional services expenses for additional personnel required for our capital expenditure program and production levels. On a per-Mcfe basis, general and administrative expense decreased from \$2.03 per Mcfe for the year ended December 31, 2010 to \$0.74 per Mcfe for 2011. No portion of general and administrative expenses was allocated to discontinued operations as we do not expect any reduction of such expenses as a result of the sale of the Arkoma and Piceance properties. When all discontinued operations are included, general and administrative expenses decreased from \$0.47 per Mcfe in 2010 to \$0.37 per Mcfe in 2011.

Interest expense and realized and unrealized gains and losses on interest rate derivatives. Interest expense increased from \$56 million for the year ended December 31, 2010 to \$74 million for 2011, an increase of \$18 million, primarily as a result of increased borrowings on the credit facility and the issuance of \$400 million of 7.25% senior notes in August 2011. We had entered into variable-to-fixed interest rate swap agreements that hedged our exposure to interest rate variations on our credit facility and second lien term loan facility. At December 31, 2010, one of these swaps remained outstanding with a notional amount of \$225.0 million and a fixed pay rate of 4.11%. This swap expired in July 2011. For the year ended December 31, 2010, we realized a loss on interest rate swap agreements of \$10 million, whereas in 2011 we had a realized loss on interest rate swap agreements of \$4 million. There were no outstanding interest rate swap agreements at December 31, 2011.

Income tax expense. Income tax expense related to continuing operations was \$185 million in 2011 compared to \$1 million in 2010 and is entirely comprised of deferred taxes in both years. In general, we have not 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. Each of our operating subsidiaries filed separate federal and state tax returns in 2010 and 2011; therefore, our provision for income taxes for those years consists of the sum of our provisions for each of the operating entities. From time to time there has been proposed legislation in the U.S. Congress to eliminate or limit future deductions for intangible drilling costs and could significantly affect our future taxable position. The impact of any change will be recorded in the period that such legislation might be enacted.

Income from discontinued operations. Income from discontinued operations includes the results of operations from the Arkoma Basin and Piceance Basin operations (including revenues and direct operating expenses and allocated income tax expense, but not general and administrative or interest expenses). A detailed analysis of these operations is included in note 3 to the consolidated financial statements included elsewhere in this prospectus. Income from discontinued operations decreased from income of \$228 million in 2010 to income of \$121 million in 2011, primarily as a result of a nonrecurring gain of \$148 million recognized in 2010 on the sale of our Arkoma midstream assets.

Capital Resources and Liquidity

Historically, our primary sources of liquidity have been through issuances of debt securities, borrowings under our credit facility, asset sales, and net cash provided by operating activities. Our primary use of cash has been for the exploration, development and acquisition of natural gas, NGLs, 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. As of June 30, 2013, we had 4,576 identified potential horizontal well locations, which will take many years to develop. Additionally our proved undeveloped reserves will require an estimated \$4.6 billion of development capital over the next five years. A significant portion of this capital requirement will be funded out of operating cash flows. However, we may be required to generate or raise significant capital to conduct drilling activities on these identified potential well locations and to finance the development of our proved undeveloped reserves.

During 2012, we raised capital through the issuance of \$300 million of 6.00% senior notes due 2020, and in February 2013 we issued another \$225 million of the 6.00% senior notes. During 2012, we also sold various properties for which we received cash proceeds of approximately \$1.2 billion.

As of August 29, 2013, our credit facility was amended to increase the borrowing base to \$2.0 billion and the lender commitments to \$1.75 billion. Current lender commitments can be increased to the full borrowing base upon approval of the lending bank group. The borrowing base is determined every six months based on reserves, oil and gas commodity prices, and the value of our hedge portfolio. The next redetermination of the borrowing base is scheduled to occur in April 2014. Our commodity hedge position provides us with additional liquidity as it provides us with the relative certainty of receiving a significant portion of our future expected revenues from operations despite potential declines in the price of natural gas. 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. Our credit facility is funded by a syndicate of 16 banks. We believe that the participants in the syndicate 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 credit facility.

For the year ended December 31, 2012, our capital expenditures were approximately \$1.68 billion for drilling, leasehold acquisitions, and gathering. Our capital budget for 2013 is \$2.45 billion, including \$1.45 billion for drilling and completion, \$400 million for leasehold acquisitions, and \$600 million for the construction of water handling infrastructure and gas gathering pipelines and facilities. As of June 30, 2013, we had spent approximately \$1.2 billion of our 2013 capital budget. Our capital budget excludes acquisitions. Substantially all of the \$1.45 billion allocated for drilling and completion is allocated to our operated drilling in rich gas areas. Approximately 85% of the drilling and completion budget is allocated to the Marcellus Shale, and the remaining 15% is allocated to the Utica Shale. During 2013, we plan to operate an average of 15 drilling rigs in the Marcellus Shale and four drilling rigs in the Utica Shale. Consistent with our historical practice, we periodically review our capital expenditures and adjust our budget and its allocation based on liquidity, drilling results and commodity prices.

After the completion of this offering and the increase in lender commitments under our credit facility on June 27, 2013, together with our operating cash flow and hedging program, we believe we will have the financial flexibility to meet our cash requirements, including normal operating needs, and pursue our currently planned 2013 and 2014 delineation and development drilling activities.

For more information on our outstanding indebtedness, see "—Debt Agreements and Contractual Obligations."

Cash Flows

The following table summarizes our cash flows for the years ended December 31, 2010, 2011 and 2012 and for the six months ended June 30, 2012 and 2013 (including discontinued operations):

	Year Ended December 31,			Six Months Ended June 30,	
	2010	2011	2012	2012	2013
	(in thousands)				
Net cash provided by operating activities	\$ 127,791	\$ 266,307	\$ 332,255	\$ 160,984	\$ 192,397
Net cash provided by (used in) investing activities	(230,672)	(901,249)	(463,491)	116,327	(1,178,408)
Net cash provided by (used in) financing activities	101,200	629,297	146,882	(275,079)	977,889
Net increase (decrease) in cash and cash equivalents	\$ (1,681)	\$ (5,645)	\$ 15,646	\$ 2,232	\$ (8,122)

Cash Flow Provided by Operating Activities

Net cash provided by operating activities was \$161 million and \$192 million for the six months ended June 30, 2012 and 2013, respectively. The increase in cash flow from operations for the six months ended June 30, 2013 compared to the six months ended June 30, 2012 was primarily the result of increased production volumes and revenues (including derivative settlements), net of the increase in cash operating costs, interest expense, and changes in working capital levels.

Net cash provided by operating activities was \$128 million, \$266 million and \$332 million for the years ended December 31, 2010, 2011 and 2012, respectively. The increase in cash flows from operations for 2010 to 2011 and also from 2011 to 2012 was primarily the result of increased oil and gas production volumes and realized gains from commodity hedges, net of increased operating expenses and interest expense and changes in working capital.

Our operating cash flow is sensitive to many variables, the most significant of which is the volatility of prices for natural gas, NGLs, and oil prices. Prices for these commodities are determined primarily by prevailing market conditions. Factors including regional and worldwide economic activity, weather, infrastructure capacity to reach markets, and other variables 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 Disclosures About Market Risk."

Cash Flow From (Used in) Investing Activities

During the six months ended June 30, 2013, we used cash totaling \$1.2 billion in investing activities, including \$271 million of undeveloped leasehold acquisitions, \$758 million of drilling costs, and \$152 million of expenditures for gathering systems and facilities. During the six months ended June 30, 2012, we had positive cash flows from investing activities of \$116 million as a result of proceeds realized from the sale of certain Marcellus gathering systems and rights and the Arkoma Basin properties totaling \$811 million, partially offset by \$695 million in land acquisitions, drilling and development, and gathering systems.

During the years ended December 31, 2010, 2011 and 2012, we used cash flows in investing activities of \$231 million, \$901 million and \$463 million, respectively, as a result of our capital expenditures for drilling, development and acquisitions. During 2012 we spent approximately \$1.7 billion on investments in undeveloped leaseholds, development costs and gathering systems. Net cash flow used in investing activities was reduced by realized cash proceeds of approximately

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\$1.2 billion from the sale of the Piceance Basin, Arkoma Basin, and certain Appalachian gathering systems. The increase in cash flows used in investing activities in 2011 from 2010 resulted primarily from increased drilling and acquisition activities in the Marcellus Shale. In September 2011, we also acquired a 7% overriding royalty interest related to 115,000 net acres operated by us in the core of our West Virginia and Pennsylvania Marcellus acreage position for \$193 million.

Our board of directors has approved a capital budget of up to \$2.45 billion for 2013. 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, NGLs, 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 (Used in) Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2013 of \$978 million resulted from the issuance of \$225 million of our 6.00% senior notes for net proceeds of approximately \$232 million in February 2013, \$743 million of net additional borrowings under our credit facility and other items of \$3 million. Net cash used in financing activities of \$275 million during the six months ended June 30, 2012 resulted from a repayment of borrowings under our credit facility.

Net cash provided by financing activities in 2012 of \$147 million was primarily the result of (i) \$300 million of cash provided by the issuance of senior notes, net of (ii) net repayments of the credit facility of \$148 million and other items of \$5 million including deferred financing costs.

Net cash provided by financing activities in 2011 of \$629 million was primarily the result of (i) \$400 million of cash provided by the issuance of senior notes, (ii) net borrowings of \$265 million on our credit facility, net of (iii) cash outflows for \$7 million of deferred financing costs, and a \$29 million distribution to equity members for tax liabilities.

Net cash provided by financing activities in 2010 of \$101 million was primarily a result of (i) \$156 million of cash provided by the issuance of senior notes, (ii) net payments of \$42 million on our credit facility, and (iii) \$13 million of other payment items including deferred financing costs.

Debt Agreements and Contractual Obligations

Senior Secured Revolving Credit Facility.

Our credit facility was amended as of August 29, 2013 to provide for a borrowing base of \$2.0 billion and lender commitments of \$1.75 billion. The borrowing base is redetermined semiannually and depends on the volumes of our proved oil and gas reserves and estimated cash flows from these reserves and our commodity hedge positions. The next redetermination is scheduled to occur in April 2014. As of June 30, 2013, the borrowing base was \$1.75 billion and lender commitments totaled \$1.45 billion. At June 30, 2013, we had \$960 million of borrowings and \$32 million of letters of credit outstanding under the credit facility. At December 31, 2012, we had \$217 million of borrowings and \$43 million of letters of credit outstanding under the credit facility. The credit facility matures in May 2016.

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.

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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 150 to 250 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 100 basis points, plus an applicable margin ranging from 50 to 150 basis points, depending on the percentage of our borrowing base utilized.

The credit facility is secured by mortgages on substantially all of our properties and guarantees from our subsidiaries. Interest is payable at a variable rate based on LIBOR or the prime rate based on our election at the time of borrowing. As of June 30, 2012 and 2013, borrowings and letters of credit outstanding under our credit facility had a weighted average interest rate of 2.1%. The credit facility contains restrictive covenants that may limit our ability to, among other things:

- incur additional indebtedness;
- sell assets;
- make loans to others;
- make investments;
- enter into mergers;
- make certain payments to Antero Resources LLC;
- hedge future production;
- incur liens; and
- engage in certain other transactions without the prior consent of the lenders.

The credit facility, as amended, also requires us to maintain the following two financial ratios:

- a current ratio, which is the ratio of our consolidated current assets (includes unused commitment under the credit facility and excludes derivative assets) to our consolidated current liabilities of 1.0 to 1.0 at the end of each fiscal quarter; and
- a minimum interest coverage ratio, which is the ratio of consolidated EBITDAX to consolidated interest expense, of not less than 2.5 to 1.0.

We were in compliance with such covenants and ratios as of December 31, 2012 and June 30, 2013.

Senior Notes. We have \$525 million of 9.375% senior notes outstanding, which are due December 1, 2017. The notes were issued by Antero Resources Finance Corporation, or Antero Finance, and are unsecured and effectively subordinated to the credit facility to the extent of the value of the collateral securing the credit facility. The notes are guaranteed on a senior unsecured basis by Antero Resources LLC, all of its wholly owned subsidiaries (other than Antero Finance), and certain of its future restricted subsidiaries. Interest on the notes is payable on June 1 and December 1 of each year. Antero Finance may redeem all or part of the notes at any time on or after December 1, 2013 at redemption prices ranging from 104.688% on or after December 1, 2013 to 100.00% on or after December 1, 2015. At any time prior to December 1, 2013, Antero Finance 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, Antero Finance may be required to repurchase all or a portion of the notes at a price equal to 101% of the principal amount of the notes, plus accrued interest.

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We also have \$400 million of 7.25% senior notes outstanding, which are due August 1, 2019. The notes were issued by Antero Finance and are unsecured and effectively subordinated to the credit facility to the extent of the value of the collateral securing the credit facility. The notes rank pari passu to the existing 9.375% senior notes. The notes are guaranteed on a senior unsecured basis by Antero Resources LLC, all of its wholly owned subsidiaries (other than Antero Finance), and certain of its future restricted subsidiaries. Interest on the notes is payable on August 1 and February 1 of each year. Antero Finance may redeem all or part of the notes at any time on or after August 1, 2014 at redemption prices ranging from 105.438% on or after August 1, 2014 to 100.00% on or after August 1, 2017. In addition, on or before August 1, 2014, Antero Finance 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 107.25% of the principal amount of the notes, plus accrued interest. At any time prior to August 1, 2014, Antero Finance may 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 and accrued interest. If Antero Resources LLC undergoes a change of control, Antero Finance may be required to repurchase all or a portion of the notes at a price equal to 101% of the principal amount of the notes, plus accrued interest.

At June 30, 2013, we also had \$525 million of 6.00% senior notes outstanding, which are due December 1, 2020. The notes were issued by Antero Finance and are unsecured and effectively subordinated to the credit facility to the extent of the value of the collateral securing the credit facility. The notes rank pari passu to the existing 9.375% and 7.25% senior notes. The notes are guaranteed on a senior unsecured basis by Antero Resources LLC, all of its wholly owned subsidiaries (other than Antero Finance), and certain of its future restricted subsidiaries. Interest on the notes is payable on June 1 and December 1 of each year. Antero Finance may redeem all or part of the notes at any time on or after December 1, 2015 at redemption prices ranging from 104.50% on or after December 1, 2015 to 100.00% on or after December 1, 2018. In addition, on or before December 1, 2015, Antero Finance 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 106.00% of the principal amount of the notes, plus accrued interest. At any time prior to December 1, 2015, Antero Finance may 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 and accrued interest. If a change of control (as defined in the bond indenture) occurs at any time prior to January 1, 2014, Antero Finance may, at its option, redeem all, but not less than all, of the notes at a redemption price equal to 110% of the principal amount of the notes, plus accrued interest. If Antero Finance has not exercised its optional redemption rights upon a change of control, the note holders will have the right to require Antero Finance to repurchase all or a portion of the notes at a price equal to 101% of the principal amount of the notes, plus accrued interest.

We used the proceeds from the issuances of the senior notes to repay borrowings outstanding under our credit facility and for development of our oil and natural gas properties.

The senior notes indentures each contain restrictive covenants and restrict our ability to incur additional debt unless a pro forma minimum interest coverage ratio requirement of 2.25:1 is incurred. We were in compliance with such covenants and the coverage ratio requirement as of December 31, 2012 and June 30, 2013.

Following the merger of Antero Resources LLC into Antero Resources Corporation, as described in "Corporate Reorganization," Antero Resources Corporation will assume the obligations of Antero Resources LLC as parent guarantor under the indentures governing our senior notes. In addition, Antero Investment will not be a guarantor under our credit facility or under the indentures governing our senior notes or otherwise subject to the restrictive covenants thereunder.

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Treasury Management Facility. We have a stand-alone revolving note with a lender under the credit facility which provides for up to \$25 million of cash management obligations in order to facilitate our daily treasury management. Borrowings under the revolving note are secured by the collateral for the credit facility. Borrowings under the facility bear interest at the lender's prime rate plus 1.0%. The note matures on June 1, 2014. We expect that the treasury management facility will be renewed for an additional one year period when it expires. At December 31, 2012 and June 30, 2013, there were no outstanding borrowings under this facility.

Note Payable. We assumed a \$25 million unsecured note payable in the Bluestone Energy Partners business acquisition consummated on December 1, 2010. The note had a balance of \$25 million at December 31, 2012 and June 30, 2013, bears interest at 9%, and is due December 1, 2013. The note is not callable.

Intercompany Credit Arrangement. In connection with the closing of this offering, we intend to enter into an intercompany credit agreement with Antero Midstream. The intercompany credit agreement provides that we will make available to Antero Midstream up to \$500 million in revolving credit facility borrowings from time to time. The facility will mature on the earlier of May 12, 2016 or the consummation of Antero Midstream's initial public offering. Interest on borrowings under the facility is payable by Antero Midstream at a rate equal to three-month LIBOR for the relevant borrowing period plus 2.5%.

Contractual Obligations. A summary of our contractual obligations as of June 30, 2013 for the next five years and thereafter is provided in the following table. See "Business—Our Operations—Delivery Commitments" for additional information on our delivery commitments.

(in millions)	Year						Total
	1	2	3	4	5	Thereafter	
Credit facility(1)	\$ —	\$ —	\$ 960	\$ —	\$ —	\$ —	\$ 960
Senior notes—principal(2)	25	—	—	—	525	925	1,475
Senior notes—interest(2)	111	110	110	110	85	122	648
Drilling rig and frac service commitments(3)	168	100	26	—	—	—	294
Firm transportation(4)	72	130	141	139	138	959	1,579
Gas processing, gathering, and compression service(5)	137	149	163	163	159	680	1,451
Office and equipment leases	2	4	5	4	4	17	36
Asset retirement obligations(6)	—	—	—	—	—	11	11
Total	\$ 515	\$ 493	\$ 1,405	\$ 416	\$ 911	\$ 2,714	\$ 6,454

- (1) Includes outstanding principal amount at June 30, 2013. This table does not include future commitment fees, interest expense, or other fees on the credit facility because they are floating-rate instruments and we cannot determine with accuracy the timing of future loan advances, repayments, or future interest rates to be charged.
- (2) Includes the 9.375% senior notes due 2017, the 7.25% senior notes due 2019, and the 6.00% senior notes issued in November 2012 and February 2013 and due 2020, and the \$25 million note due 2013 assumed in the acquisition of Bluestone Energy Partners.
- (3) At June 30, 2013, we had contracts for rig services which expire at various dates from 2013 through 2016. We also had two frac services contracts which expire in 2013 and 2014. The values in the table represent the gross amounts that we are committed to pay; however, we will record in our financial statements our proportionate share of costs based on our working interest.

- (4) We have entered into firm transportation agreements with various pipelines in order to facilitate the delivery of production to liquid markets. These contracts commit us to transport minimum daily natural gas or NGL volumes at a negotiated rate, or pay for any deficiencies at a specified reservation fee rate. The amounts in this table represent our minimum daily volumes at the reservation fee rate. The values in the table represent the gross amounts that we are committed to pay; however, we will record in our financial statements our proportionate share of costs based on our working interest.
- (5) Contractual commitments for gas processing, gathering, and compression service agreements represent minimum commitments under long-term gas processing agreements as well as various gas compression agreements. The values in the table represent the gross amounts that we are committed to pay; however, we will record in our financial statements our proportionate share of costs based on our working interest.
- (6) 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.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated 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 consolidated 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 consolidated financial statements. See note 2 to the consolidated financial statements for a discussion of additional accounting policies and estimates made by management.

Incentive Plan

Employee Holdings currently holds membership interests in Antero Resources LLC and has granted profits interests to our employees. The profits interests currently have rights to participate in certain distribution events of Antero Resources LLC if sufficient valuation thresholds are met. Historically, we have accounted for this plan as a profits interests plan and did not record stock compensation expense because the satisfaction of all performance, market, and service conditions, which would only occur upon a liquidating event, was not probable.

The limited liability company agreement of Antero Investment to be adopted in connection with the closing of this offering provides a mechanism by which the shares of our common stock to be allocated amongst the members of Antero Investment, including Employee Holdings, will be determined. As a result, the satisfaction of all performance, market, and service conditions relative to the membership interests awards held by Employee Holdings will be probable. Accordingly, we will recognize a non-cash charge for stock compensation expense for the estimated fair value of the prospective distributions to Employee Holdings at the closing of this offering and over the remaining service period. We will retain an independent valuation firm to estimate the fair value of the shares to be distributed in satisfaction of the profits interests.

Natural Gas, NGL and Oil Properties

Successful Efforts Method

Our natural gas, NGL, 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 geological reservoir basis using the unit-of-production method as natural gas, NGL, 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, NGL, 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, NGL, 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 the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2012 and 2013, we charged impairment expense for expired or expiring leases with a cost of \$36 million, \$11 million, \$13 million, \$2 million and \$6 million, respectively. The assessment of unevaluated natural gas, NGL, 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, NGL and Oil Reserve Quantities and Standardized Measure of Future Cash Flows

Our independent reserve engineers and internal technical staff prepare the estimates of natural gas, NGL, and oil reserves and associated future net cash flows. Current accounting guidance allows only proved natural gas, NGL, and oil reserves to be included in our financial statement disclosures. The SEC has defined proved reserves as the estimated quantities of natural gas, NGL, 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 reserve 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, NGL, and oil reserve engineering is a subjective process of estimating underground accumulations of natural gas, NGL, 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

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number of factors, including reservoir performance, new drilling, natural gas, NGL, 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, NGL, 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, NGL, and oil properties for impairment on a geological reservoir basis 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, NGL, 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 2010, 2011 or 2012.

Off-Balance Sheet Arrangements

As of June 30, 2013, we did not have any off-balance sheet arrangements other than operating leases and contractual commitments for drilling rigs, frac services, firm transportation, and gas processing, gathering and compression. See "—Contractual Obligations" for commitments under operating leases, drilling rig and frac service agreements, firm transportation agreements, and gas processing and compression service agreements.

Quantitative and Qualitative Disclosures About Market Risk

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about our potential exposure to market risk. The term "market risk" refers to the risk of loss arising from adverse changes in natural gas, NGL, 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 Hedging Activities

Our primary market risk exposure is in the price we receive for our natural gas and oil production. Realized pricing is primarily driven by spot regional market prices applicable to our U.S. natural gas production and the prevailing worldwide price for crude oil. 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

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portion of our natural gas and oil production when management believes that favorable future prices can be secured. We hedge part of our production at 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 sales point prices. Part of our production is also hedged at NYMEX prices.

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 floor and ceiling prices 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 June 30, 2013, we had in place natural gas and oil swaps covering portions of our projected production from 2013 through 2018. Our commodity hedge position as of June 30, 2013 is summarized in note 8 to our unaudited condensed consolidated financial statements included elsewhere herein. Our financial hedging activities are intended to support natural gas, NGL, and oil prices at targeted levels and to manage our exposure to natural gas price fluctuations. Our credit facility allows us to hedge up to 85% of our estimated production from proved reserves for up to 12 months in the future, 80% for 13 to 24 months in the future, 75% for 25 to 36 months in the future, 70% for 37 to 48 months in the future, 65% for 49 to 60 months in the future, and 65% of production for 2019. Based on our annual production and our fixed price swap contracts in place during 2013, our income before taxes for the six months ended June 30 2013 would have decreased by approximately \$0.4 million for each \$0.10 decrease per MMBtu in natural gas 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 U.S. GAAP and are included in the condensed consolidated balance sheets as assets or liabilities. 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 resulting from cash receipts or payments on settled 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."

Mark-to-market adjustments of derivative instruments produce earnings volatility but have no cash flow impact relative to changes in market prices until the derivative contracts are settled. 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 June 30, 2013 and December 31, 2012, the estimated fair value of our commodity derivative instruments was a net asset of \$593 million and \$532 million, respectively, comprised of current and noncurrent assets and current liabilities. None of these commodity derivative instruments were entered into for trading or speculative purposes.

By removing price volatility from a portion of our expected natural gas production through December 2018, 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.

Interest Rate Risks

Our primary exposure to interest rate risk results from outstanding borrowings under our credit facility, which has a floating interest rate. The average annual interest rate incurred on this indebtedness for the six months ended June 30, 2013 was approximately 2.1%. A 1.0% increase in each of the average LIBOR rate and federal funds rate for the six months ended June 30, 2013 would have resulted in an estimated \$2.1 million increase in interest expense for that period. We had no outstanding interest rate derivatives for hedging purposes at June 30, 2013.

Counterparty and Customer Credit Risk

Our principal exposures to credit risk are through receivables resulting from commodity derivatives contracts (\$593 million at June 30, 2013) and the sale of our oil and gas production (\$66 million at June 30, 2013), which we market to energy companies.

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 eleven different counterparties, all but one of which is a lender under our credit facility. The fair value of our commodity derivative contracts of approximately \$593 million at June 30, 2013 includes the following values by bank counterparty: BNP Paribas—\$150 million; Credit Suisse—\$161 million; Wells Fargo—\$99 million; JP Morgan—\$102 million; Barclays—\$65 million; Deutsche Bank—\$11 million; Union Bank—\$2 million; and Toronto Dominion Bank—\$1 million. Additionally, contracts with Dominion Field Services account for \$2 million of the fair value. The credit ratings of certain of these banks have been downgraded because of the sovereign debt crisis in Europe. The estimated fair value of our commodity derivative assets has been risk adjusted using a discount rate based upon the respective published credit default swap rates (if available or, if not available, a discount rate based on the applicable Reuters bond rating) at June 30, 2013 for each of the European and American banks. We believe that all of these institutions currently are acceptable credit risks. Other than as provided by the credit facility, we are not required to provide credit support or collateral to any of our counterparties under our contracts, nor are they required to provide credit support to us. As of June 30, 2013, we did not have past-due receivables from or payables to any of our counterparties.

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.

BUSINESS

Our Company

We are an independent oil and natural gas company engaged in the exploitation, development and acquisition of natural gas, NGLs and oil properties located in the Appalachian Basin in West Virginia, Ohio and Pennsylvania. We are focused on creating shareholder value through the development of our large portfolio of repeatable, low cost, liquids-rich drilling opportunities in two of the premier North American shale plays. We currently hold approximately 329,000 net acres in the southwestern core of the Marcellus Shale and approximately 102,000 net acres in the core of the Utica Shale. In addition, we estimate that approximately 170,000 net acres of our Marcellus Shale leasehold are prospective for the slightly shallower Upper Devonian Shale. As of June 30, 2013, our estimated proved, probable and possible reserves were 6.3 Tcfe, 14.0 Tcfe and 7.4 Tcfe, respectively, and our proved reserves were 23% proved developed and 91% natural gas, assuming ethane rejection. As of June 30, 2013, our drilling inventory consisted of 4,576 identified potential horizontal well locations, approximately 64% of which are liquids-rich drilling opportunities.

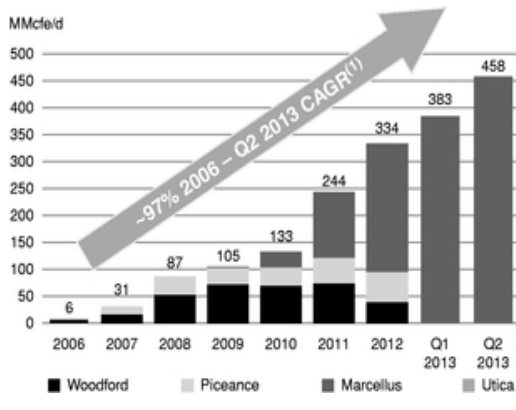
Our management team has a proven track record of implementing geologically driven growth strategies in some of the most prominent unconventional plays across the United States, including the Barnett, Woodford, Marcellus and Utica Shales. Paul Rady, our Chairman and Chief Executive Officer, and Glen Warren, our President and Chief Financial Officer, founded our business in 2002. The majority of our management team has worked together at various times for over 30 years at Amoco Production Company, Barrett Resources Corporation, Pennaco Energy Inc. and Antero Resources. Our management team has created significant shareholder value through various past ventures, including the sale of two unconventional resource-focused upstream companies and one midstream company in the last 15 years.

We have been successful in targeting large, repeatable resource plays where horizontal drilling and advanced fracture stimulation technologies provide the means to economically develop and produce natural gas, NGLs and oil from unconventional formations. We have been early adopters of innovative hydraulic fracturing and completion techniques, having drilled over 450 horizontal wells in the Barnett, Woodford, Marcellus and Utica Shales. As a result of our horizontal drilling and completion expertise, and the predictable geologic structure throughout our largely contiguous land position in the southwestern core of the Marcellus Shale, we have drilled approximately 1.3 million lateral feet without encountering any faulting in our target zone. We have drilled and completed 199 horizontal wells in the Marcellus Shale with a 100% success rate to date. With 15 rigs running, we are currently the most active driller in the Marcellus Shale based on information from RigData. We have begun to apply the expertise and approach we employ in the Marcellus Shale to the Utica Shale, and we believe we will be able to achieve similar success. We have drilled and completed 11 horizontal wells in the Utica Shale with a 100% success rate without encountering any faulting.

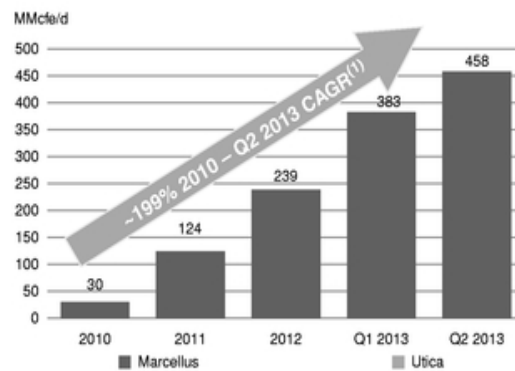
Our net daily production in the second quarter of 2013 averaged 458 MMcfe/d, including 4,160 Bbls/d of NGLs and oil. Further, our estimated average net daily production for the month of August 2013 was 594 MMcfe/d, including 8,630 Bbls/d of NGLs and oil. We grew proved reserves at a compounded annual growth rate of 96% from 2006 to 2012, despite the 2012 divestiture of our Arkoma and Piceance Basin properties. Additionally, from January 1, 2012 to June 30, 2013, we increased our Appalachian proved reserves by 47% to 6.3 Tcfe, assuming ethane rejection at each date.

The charts below illustrate the growth in our average net daily production on an overall basis since 2006 and in the Appalachian Basin since 2010:

Antero Average Net Daily Production



Antero Appalachian Basin Average Net Daily Production



(1) CAGR means compounded annual growth rate.

2013 Capital Budget

For the year ended December 31, 2012, our capital expenditures were approximately \$1.68 billion for drilling, leasehold acquisitions and gathering. Our capital budget for 2013 is \$2.45 billion and includes:

- \$1.45 billion for drilling and completion, substantially all of which is allocated to our operated drilling in liquids-rich gas areas;
- \$600 million for the construction of gathering pipelines and facilities in the Appalachian Basin (including \$250 million for water handling infrastructure, primarily in the Marcellus Shale); and
- \$400 million for leasehold acquisitions.

As of June 30, 2013, we had spent approximately \$1.2 billion of our 2013 capital budget. Consistent with our historical practice, we periodically review our capital expenditures and adjust our budget and its allocation based on liquidity, drilling results, commodity prices and the availability of opportunistic acreage acquisitions.

Our Properties

The Appalachian Basin, which covers over 185,000 square miles in portions of Kentucky, Tennessee, Virginia, West Virginia, Ohio, Pennsylvania and New York, is considered a highly attractive energy resource producing region with a long history of oil, natural gas and coal production. Importantly, the Appalachian Basin is strategically located near the high energy demand markets of the northeast United States, which has historically resulted in relatively higher realized sales prices due to the reduced transportation costs a purchaser must incur to transport commodities to end users. Based on production, the Appalachian Basin is the third largest overall gas field in the United States with over 9 Bcfe/d in 2012. Over the past five years, the focus of many producers has shifted from the younger, shallower conventional sandstone and carbonate reservoirs to the older, deeper Marcellus Shale and the newly emerging Utica Shale plays, which has driven Appalachian basin production growth. The Marcellus Shale accounted for over 7 Bcfe/d of the 2012 production making it the third

largest United States gas field on a stand-alone basis, and the largest unconventional gas play in the world.

Marcellus Shale

We believe that the Marcellus Shale is a premier North American shale play due to its high well recoveries relative to drilling and completion costs, broad aerial extent, relatively homogeneous high-quality reservoir characteristics and significant hydrocarbon resources in place. Based on these attributes, as well as drilling results publicly released by other operators, we believe that the Marcellus Shale offers some of the most attractive single-well rates of return of all North American conventional and unconventional play types. We also believe that the Marcellus Shale has two core areas: the southwestern core in northern West Virginia and southwestern Pennsylvania and the northeastern core in northeastern Pennsylvania. According to RigData, as of September 2013, approximately 90% of the 91 drilling rigs operating in the Marcellus Shale were located in these two core areas.

The Devonian-aged Marcellus Shale is an unconventional reservoir that produces natural gas, NGLs and oil and is one of the largest natural gas fields in the country. The productive limits of the Marcellus Shale cover over 50,000 square miles within Pennsylvania, West Virginia, Ohio and New York. The Marcellus Shale is a black, organic-rich shale deposit generally productive at depths between 5,500 and 7,000 feet. Production from the brittle, gas-charged shale reservoir is best derived from hydraulically fractured horizontal wellbores that exceed 2,000 feet in lateral length and involve multi-stage fracture stimulations. The geology of the Marcellus Shale is analogous to the Barnett, Woodford and Fayetteville Shales, where we and our management team have successfully drilled and completed over 200 horizontal wells.

All of our approximately 329,000 net acres in the Marcellus Shale are located within the southwestern core. We have experienced virtually no geologic complexity in our drilling activities to date, which has contributed to what we believe to be a narrow and predictable band of expected well recoveries per 1,000 feet of lateral length on our wells. Further, the lower thermal maturity of the Marcellus Shale in the western half of the southwestern core yields liquids-rich natural gas and condensate, which allows for NGL processing that can significantly improve well economics.

Our intensive operational focus and leasehold consolidation efforts, coupled with the favorable geology of our position, makes the Marcellus Shale highly attractive. We completed 71 gross (67 net) horizontal Marcellus Shale wells in 2012 and 62 gross (61 net) horizontal Marcellus Shale wells in the six months ended June 30, 2013. As of June 30, 2013, we had a total of 415 gross (379 net) producing wells in the Marcellus Shale. We had an additional 41 gross (39 net) wells drilling or waiting on completion as of June 30, 2013 in the play. As of June 30, 2013, we had approximately 2,941 identified gross undrilled horizontal well locations in the Marcellus Shale.

For the three months ended June 30, 2013, we had average net daily production of 457 MMcfe/d in the Marcellus Shale. Further, our estimated average net daily production for the month of August 2013 in the Marcellus Shale was 549 MMcfe/d, including 6,528 Bbls/d of NGLs and oil. We currently have 15 rigs operating in the Marcellus Shale and expect to drill 135 wells in 2013, of which 74 had been drilled as of June 30, 2013. We believe our full cycle drilling, completion and operating costs on a per unit basis are among the lowest in the Marcellus Shale and the industry as a whole.

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The following table provides a summary of our current gross and net acreage by county in the Marcellus Shale.

<u>County</u>	<u>Gross Acres</u>	<u>Net Acres</u>
Doddridge, WV	136,332	104,196
Gilmer, WV	1,649	1,381
Harrison, WV	114,185	113,198
Lewis, WV	62	62
Marion, WV	4,275	3,911
Monongalia, WV	1,835	1,686
Pleasants, WV	1,503	810
Ritchie, WV	54,343	43,815
Tyler, WV	44,925	30,546
Wetzel, WV	4,481	2,525
Fayette, PA	7,680	5,423
Greene, PA	2,653	2,174
Washington, PA	12,654	12,205
Westmoreland, PA	7,073	6,919
Total	393,650	328,851

Utica Shale

The Ordovician-aged Utica Shale is an unconventional reservoir underlying the Marcellus Shale. The productive limits of the Utica Shale cover over 80,000 square miles within Ohio, Pennsylvania, West Virginia and New York. The Utica Shale is an organic-rich continuous black shale, with most production occurring at vertical depths between 7,000 and 10,000 feet. To date, the rich and dry gas windows of the Utica Shale play have yielded the strongest results. The richest and thickest concentration of organic-carbon content is present within the Point Pleasant Shale layer of the Lower Utica formation. The Point Pleasant Shale is therefore our primary targeted development play of the Utica Shale.

Based on initial drilling results and the first two months of production for our 11 Utica wells, we believe that the Utica Shale is a premier North American shale play. We believe that the core area is located in the southern portion of the play, which has been defined by significant drilling activity by several operators. We own approximately 102,000 net acres in the core of the Utica Shale and expect to add to our sizeable land position. The proximity of our Utica acreage position to our operations in the Marcellus Shale allows us to capitalize on operating and midstream synergies. We are currently operating four drilling rigs in the Utica Shale and have completed 11 horizontal wells with strong results. We have had a 100% success rate and believe over 90% of our acreage has liquids-rich gas processing potential. We expect to drill 26 wells in the Utica Shale in 2013, of which 11 had been drilled as of June 30, 2013. As of June 30, 2013, we had approximately 720 identified gross undrilled horizontal well locations in the Utica Shale. For the three months ended June 30, 2013, we had average net daily production of 1 MMcfe/d in the Utica Shale. Further, our estimated average net daily production for the month of August 2013 in the Utica Shale was 45 MMcfe/d, including 2,102 Bbls/d of NGLs and oil.

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The following table provides a summary of our current gross and net acreage by county in the Utica Shale.

County	Gross Acres	Net Acres
Athens, OH	84	84
Belmont, OH	13,095	11,734
Guernsey, OH	10,019	8,329
Harrison, OH	26	26
Monroe, OH	40,164	35,231
Noble, OH	61,661	46,379
Total	125,049	101,783

Operating Data

The following table provides a summary of our net acreage and identified potential well locations as of June 30, 2013, our 2013 and 2014 projected drilling schedules based on gross wells, and our average net daily production for August 2013:

	As of June 30, 2013					2013 Projected Drilling Schedule (Gross Wells)	Planned 2014 Drilling Schedule (Gross Wells)	Average Net Daily Production (MMcfe/d)
	Identified Potential Well Locations(2)							
	Net Acres(1)	Total	Proved Undeveloped	Probable	Possible			
Marcellus Shale:								
Highly Rich/Condensate(3)	48,000	505	18	454	33	4	21	16
Highly Rich Gas(3)	89,000	777	116	653	8	51	54	149
Rich Gas(3)	77,000	673	276	396	1	75	75	188
Dry Gas(3)	106,000	986	277	530	179	5	—	192
Utica Shale	100,000	720	17	175	528	26	47	45
Upper Devonian Shale	170,000	915	7	149	759	—	—	4
Total		4,576	711	2,357	1,508	161	197	594

- (1) Net acres prospective for the Upper Devonian Shale are also included among the Marcellus Shale net acres. The Upper Devonian Shale and the Marcellus Shale are stacked formations within the same geographic footprint.
- (2) Our proved undeveloped, probable and possible identified potential well locations are based on specifically engineered locations to which the applicable category of reserves were attributable based on SEC pricing as of June 30, 2013. For a description of how we determine our identified potential well locations, see "—Our Operations—Reserve Data—Identification of Potential Well Locations."
- (3) Classifications are based on our and other operators' drilling results in the Marcellus Shale and are subject to confirmation through actual future drilling results. For definitions of "highly rich/condensate," "highly rich gas," "rich gas" and "dry gas," see the "Glossary of Natural Gas and Oil Terms" in Annex A of this prospectus.

A majority of these potential locations have not been scheduled by management as part of our future multi-year drilling schedule and may not ultimately be completed to the extent we have insufficient resources to do so. We will be required to generate or raise significant capital to conduct such drilling activities. 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.

Midstream Operations

Our exploration and development activities are supported by our operated natural gas gathering, compression, processing and transportation assets, as well as by third-party arrangements. Unlike many producing basins in the United States, certain portions of the Appalachian Basin do not have sufficient midstream infrastructure to support the existing and expected increasing levels of production. Actively managing these midstream operations allows us to ensure that we can obtain the necessary takeaway and processing capacity for our production and, when necessary or advisable, process our liquids-rich natural gas production to maximize the value that we can obtain for our products.

We maintain a strong commitment to developing the necessary midstream infrastructure to support our drilling schedule and production growth. We accomplish this goal through a combination of internal asset developments and contractual relationships with third-party midstream service providers. As part of our internal developments, we have invested a significant amount of capital in building low- and high-pressure gathering lines, compression facilities and water pipeline systems. In the past we have monetized certain midstream infrastructure assets for a significant return on investment and redeployed the proceeds into our ongoing operations. We will continue to invest significantly in our midstream infrastructure, as it allows us to optimize our processing and takeaway capacity to support our expected rapid production growth, affords us more control over the direction and planning of our drilling schedule and has historically created significant value for our equity owners. In 2013, we estimate we will spend a total of approximately \$600 million on midstream infrastructure. In addition, we believe that our midstream assets may be well suited for a MLP or similar structure. Accordingly, following the closing of this offering, we intend to contribute our midstream assets to Antero Midstream and enter into commercial arrangements for midstream services with them. Following the completion of this offering, we may also seek opportunities to finance our midstream business on a stand-alone basis. See "Certain Relationships and Related Party Transactions—Antero Midstream" and "Corporate Reorganization."

Transportation and Takeaway Capacity

Our primary firm transportation commitments include the following:

- We have several firm transportation contracts for volumes that increase from 268,000 MMBtu per day in 2013 to approximately 582,000 MMBtu per day in 2015 on the Columbia Gas Transmission Pipeline, which takes Marcellus natural gas to the Leach Delivery Point. We have firm transportation contracts from the Leach Delivery Point for volumes that increase from 227,000 MMBtu per day in 2013 to 460,000 MMBtu in 2015 on the Columbia Gulf Pipeline, which takes natural gas from the Leach Delivery Point to the Gulf Coast. The contracts expire at various dates from 2017 through 2025.
- We have various firm transportation contracts for approximately 353,500 MMBtu per day taking Marcellus natural gas to various other delivery points; these contracts expire in 2022.
- We have a firm transportation contract for 200,000 MMBtu per day on the Rockies Express Pipeline, or REX, beginning in January 2014 to take Utica gas to the Midwestern Gas Transmission pipeline, or Midwestern, which delivers natural gas to Chicago. We have 140,000 MMBtu of firm transportation on the Midwestern pipeline. We can also deliver natural gas into the Midwestern pipeline from our Columbia Gulf capacity through a southern interconnection to the Midwestern. The Rex and Midwestern firm transportation commitments expire in 2021.

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- We have a firm transportation contract for approximately 20,000 Bbl per day on the Enterprise Products Partners ATEX pipeline beginning in the first quarter of 2014 to take ethane from Appalachia to Mont Belvieu, Texas. The ATEX firm transportation commitment expires in 2028.
- In addition to the firm transportation that we control, we also have firm sales commitments to third parties who hold firm capacity on downstream interstate pipelines, or will utilize our firm transportation, for approximately 240,000 MMBtu per day increasing to 420,000 MMBtu per day in 2014. Our firm transportation capacity is utilized for 100,000 MMBtu of the firm sales.

Under firm transportation contracts, we are obligated to deliver minimum daily volumes or pay fees for any deficiencies in deliveries. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Debt Agreements and Contractual Obligations" for information on our minimum fees for such contracts.

We continue to actively identify and evaluate additional processing and takeaway capacity to enhance the value of our Appalachian Basin position.

Natural Gas Processing

Our positions in the Marcellus and Utica Shales allow us to produce liquids rich natural gas that contains a significant amount of NGLs. Natural gas containing significant amounts of NGLs must be processed, which involves the removal and separation of NGLs from the wellhead natural gas in order to meet quality specifications of long-haul intrastate and interstate pipelines.

NGLs are valuable commodities once removed from the natural gas stream and fractionated into their key components. Fractionation refers to the process by which an NGL stream is separated into individual NGL products such as ethane, propane, normal butane, isobutane and natural gasoline. Fractionation occurs by heating the mixed NGL stream to allow for the separation of the component parts based on the specific boiling points of each product. Each of the individual products are marketed to different end user markets and consequently have their own market price.

Market prices for NGLs have exhibited heightened variability over the last few years as shale gas production has increased and new gas midstream infrastructure projects have been constructed. During 2012, prices for each of the individual NGL products decreased significantly, and some NGL products experienced larger declines than others. In particular, market prices for ethane at Mont Belvieu declined substantially driven by a surge in NGL production, combined with limited NGL processing and transportation capacity and end user demand constraints. In the Marcellus Shale region, additional infrastructure to transport ethane to end user markets, including Mont Belvieu and Sarnia, Ontario, is being developed.

The combination of infrastructure constraints in the Appalachian region and low ethane prices has resulted in many producers "rejecting" rather than "recovering" ethane. Ethane rejection occurs when ethane is left in the wellhead gas stream when the gas is processed, rather than being separated out and sold as a liquid after fractionation. When ethane is left in the gas stream, the BTU content of the residue gas at the outlet of the processing plant is higher. Producers will elect to "reject" ethane when the price received for the higher BTU residue gas is greater than the price received for the ethane being sold as a liquid after fractionation. When ethane is recovered, the BTU content of the residue gas is lower, but a producer is then able to recover the value of the ethane sold as a separate NGL product. In addition, gas processing plants can produce the other NGL products (propane, normal butane, isobutane and natural gasoline) while rejecting ethane.

The high liquids content of our natural gas production results in us achieving significantly higher realizations after processing, which together with our low operating and development costs, leads to high rates of return on our drilling program. Given the existing commodity price environment and the lack of an ethane market in the northeast, we are currently rejecting ethane when processing our liquids-rich gas; however, we realize a significant pricing upgrade when selling the remaining NGL product stream at current prices. We will elect to recover ethane when ethane prices recover and the value we receive for the ethane is greater than the BTU equivalent residue gas.

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Our typical NGL barrel, assuming ethane recovery for 1,250 BTU gas, is composed of 58% ethane, 23% propane, 9% pentanes, 7% normal butane and 3% isobutane. At June 30, 2013, the blended value of this NGL barrel was approximately \$17.32/Bbl. When we elect to reject ethane, we sell the ethane as BTU equivalent in our residue gas and our typical NGL barrel for 1,250 BTU gas is composed of approximately 51% propane, 21% pentanes, 16% normal butane, 9% isobutane and 3% ethane. At June 30, 2013, the blended value of an NGL barrel while rejecting ethane was \$41.11/Bbl.

Long-term demand for NGLs is expected to increase materially driven by large expansions in end user demand.

As of June 30, 2013, we owned and operated 77 miles of gathering pipelines in the Marcellus Shale and had access to an additional 31 miles of low-pressure pipelines owned and operated by Crestwood and 63 miles of high-pressure pipelines owned and operated by Energy Transfer Partners L.P. and MarkWest. Additionally, as of June 30, 2013, we owned and operated four compressor stations and utilized nine additional third-party compressor stations in the Marcellus Shale. The gathering, compression and dehydration services provided by third parties are contracted on a fixed-fee basis. For 2013, we estimate we will spend \$650 million on midstream infrastructure in the Marcellus Shale, including on low- and high-pressure gathering lines and the water pipeline system in order to support our planned drilling activities in the Marcellus Shale.

As of June 30, 2013, we owned and operated one mile of low-pressure pipeline in the Utica Shale. As of June 30, 2013, we utilized one third-party compressor station in the Utica Shale.

Through third-party contractual relationships, we have obtained committed cryogenic processing capacity for our Marcellus and Utica Shale production. For example, we have contracted with MarkWest to provide processing capacity as follows:

	Plant Processing Capacity (MMcf/d)	Contracted Firm Processing Capacity (MMcf/d)(1)	Anticipated Date of Completion
Marcellus Shale:			
Sherwood I	200	200	In service
Sherwood II	200	200	In service
Sherwood III	200	150	Fourth Quarter 2013
Sherwood IV	200	200	Second Quarter 2014
Marcellus Shale Total	800	750	
Utica Shale:			
Cadiz(2)	185	—	In service
Seneca I	200	200	Fourth Quarter 2013
Seneca II(3)	200	—	Fourth Quarter 2013
Seneca III(4)	200	100	First Quarter 2014
Utica Shale Total	785	300	

(1) Contracted firm capacity at the Sherwood and Seneca facilities as of the start-up date of each identified unit.

- (2) Firm interim capacity of 80 MMcf/d at Cadiz will be fixed at 50 MMcf/d capacity upon start-up of the Seneca I processing complex and will terminate upon start-up of the Seneca II processing complex.
- (3) We have 50 MMcf/d of interim capacity at the Seneca II processing facility until July 1, 2014.
- (4) Remaining 100 MMcf/d of capacity at the Seneca III processing complex is available for commitment at our option.

Our midstream infrastructure also includes two independent fresh water sourcing and delivery systems for well completion operations in our Marcellus and Utica Shale operating areas. These systems consist of permanent buried pipelines, temporary surface pipelines and fresh water storage facilities, as well as pumping stations to transport the fresh water throughout the pipeline networks. Current cost estimates for both the Marcellus and Utica projects are anticipated to total \$525 million through 2023. The capital expenditures are estimated to be \$250 million in 2013. The water pipeline systems are expected to deliver a reliable year-round water supply, lessen water handling costs and significantly decrease water truck traffic and associated road damage on state, county and municipal roadways. It is estimated that these water pipeline systems will reduce our well completion costs by up to \$600,000 per well, and we anticipate that over 30% of our 2013 completed wells and up to 90% of our 2014 completed wells will utilize these new infrastructures. Assuming a 7,000 foot horizontal well lateral, it is estimated that 1,850 water truckload trips per well completion will be eliminated from roadways.

Due to the extensive geographic distribution of our water pipeline systems in both West Virginia and Ohio, we anticipate having the ability to offer water delivery services to neighboring oil and gas producers within and surrounding our operating area in an effort to further reduce water truck traffic.

In West Virginia, our Marcellus Shale water sourcing and delivery system infrastructure will cost an anticipated \$375 million through 2023, including an estimated \$200 million in 2013. Upon completion, the buried pipeline system is estimated to be 158 miles long and will extend to the Ohio River and several regional waterways for water sourcing. The water pipeline system will also include an additional 150 miles of purchased, temporary and reusable surface pipeline, 40 centralized water storage facilities equipped with transfer pumps and four other major pumping stations required for transporting water through the buried pipeline system.

In Ohio, our Utica Shale water sourcing and delivery system infrastructure will cost an anticipated \$150 million through 2023, including an estimated \$50 million in 2013. Upon project completion, the buried pipeline system is estimated to be 56 miles long and will rely on waterways and lakes within a close proximity to our operating area for water sourcing. The water pipeline system will also include an additional 45 miles of purchased, temporary and reusable surface pipeline and 22 centralized water storage facilities equipped with transfer pumps.

Business Strengths

Our objective is to build shareholder value through growth in reserves, production and cash flows by developing and expanding our portfolio of low-risk, high-return drilling locations and ensuring timely development of processing and pipeline takeaway capacity. We believe that the following strengths will allow us to successfully execute our business strategies:

- *Large, stable operated position in the core of the Marcellus and Utica Shales.* We own extensive and contiguous land positions in the core areas of two of the premier North American shale plays. We believe our approximately 329,000 net acres in the southwestern core of the Marcellus Shale and our 102,000 net acres in the Utica Shale are characterized by consistent and predictable geology. However, 92% of this acreage is currently undeveloped or does not include wells that have been drilled or completed to a point of producing commercially viable quantities. Approximately 52% of our Marcellus acreage and 20% of our Utica acreage was held by production at June 30, 2013, while an additional 27% and 78%, respectively, does not expire for five years or more. However, 48% and 80% of our natural gas leases related to our Marcellus and Utica acreage, respectively, require us to drill wells that are commercially productive by the end of the primary term, and if we are unsuccessful in drilling such wells, we could lose our rights under such leases. As of June 30, 2013, all of our total aggregate proved, probable and possible reserves were attributable to properties that we operate.

- *Multi-year, low-risk drilling inventory.* Our drilling inventory at June 30, 2013 consisted of 4,576 identified potential horizontal well locations on our existing leasehold acreage. We believe that we and other operators in the area have substantially delineated and de-risked our large contiguous acreage position in the southwestern core of the Marcellus Shale. We have drilled and completed 199 wells on our Marcellus Shale acreage with a success rate of 100%. We have drilled and completed 11 horizontal wells in the core of the Utica Shale with a 100% success rate.
- *Exposure to large resource of liquids-rich gas and condensate.* Approximately 64% of our 4,576 identified potential horizontal well locations as of June 30, 2013 target the liquids-rich gas regions of the Marcellus and Utica Shales. The gas content of this liquids-rich gas allows for NGL processing that, coupled with the condensate, can significantly improve well economics. This exposure to a range of liquids contents allows us to optimize our drilling economics across a portfolio of liquids-rich gas locations in order to take advantage of the existing commodity price environment.
- *Low-cost leader.* We are a low-cost leader in the U.S. Our ability to drill consistently long laterals, averaging over 7,000 lateral feet, helps us to reduce costs on a per-lateral-foot basis, which is a key competitive advantage. The contiguous nature of our leasehold and the lack of geologic complexity are critical to our ability to drill long laterals. Additionally, since June 2013, we have shortened our average frac stage lengths on many of our Marcellus Shale wells from 350 feet per stage historically to 150 to 250 feet per stage. Initial well results have shown increases in 24-hour initial production rates of 25% to 35% when compared to similar wells within the same geographic area. In addition, we estimate that the incremental costs attributable to the short stage lengths has been approximately averaged an estimated \$1.5 million to \$2.0 million per well. We have implemented operational efficiencies to continue lowering our costs, such as (i) pad drilling, (ii) development of an extensive water pipeline system, (iii) the use of less expensive, shallow vertical drilling rigs to drill to the kick-off point of the horizontal wellbore, (iv) the use of natural gas powered rigs and (v) our proactive approach to meeting our gathering, processing and compression infrastructure needs.
- *Access to committed processing, compression and takeaway capacity in the Marcellus and Utica Shales.* We have contracted a total of 750 MMcf/d of processing capacity in the Marcellus Shale, 400 MMcf/d of which is currently in service. Similarly, we have 300 MMcf/d of contracted processing capacity in the Utica Shale, with the option to access additional capacity. We also have secured 1,300,000 MMBtu/d of long-haul firm transportation capacity or firm sales and have committed to 20,000 Bbl/d of ethane takeaway capacity. We believe our commitment to midstream infrastructure allows us to commercialize our production more quickly at optimal prices, making us a logical consolidator of additional acreage in our core areas.
- *Financial strength and flexibility.* As of June 30, 2013, after giving effect to this offering and the application of the net proceeds therefrom, we expect to have approximately \$ million of available borrowing capacity under our credit facility (after deducting \$32 million outstanding letters of credit). After the completion of this offering and the recent increase in lender commitments under our credit facility, together with our operating cash flow and hedging program, we believe we will have the financial flexibility to pursue our currently planned 2013 and 2014 development and delineation drilling activities.
- *Proven and incentivized executive and technical teams.* We believe our management team's experience and expertise across multiple resource plays provides a distinct competitive advantage. Our officers have an average of over 30 years of industry experience in the Rocky Mountain, Midcontinent and Appalachian operating regions and have successfully built, grown and sold two unconventional resource-focused upstream companies and one midstream company

in the past 15 years. Additionally, our technical team has drilled over 450 horizontal wells in the Barnett, Woodford, Marcellus and Utica Shales over the past ten years. Our management team has a significant economic interest in us through their interest in our controlling stockholder, Antero Investment. Management's percentage interest in our stock held by Antero Investment may increase over time, without diluting public investors, if our stock price appreciates following this offering. We believe our management team's ability to increase their economic interest in us provides significant incentives to grow our stock price for the benefit of all stockholders.

Business Strategy

Our strategy consists of the following principal elements:

- *Create shareholder value through the development of our extensive drilling inventory.* Since initiating our drilling program with one rig in 2009, we have invested over \$3.2 billion in land and drilling in the Appalachian Basin and currently intend to use an average of 17 rigs in 2013. With 15 rigs running in the Marcellus Shale, we are currently the most active driller in the area based on information from RigData. We intend to dedicate substantially all of our \$1.45 billion drilling and completion budget in 2013 to develop our liquids-rich areas. Approximately 85% of the 2013 drilling and completion budget is allocated to the Marcellus Shale, and the remaining 15% is allocated to the Utica Shale.
- *Enhance returns through a focus on optimizing full cycle economics.* We continually monitor and adjust our drilling program with the objective of achieving the highest total returns on our portfolio of drilling opportunities. We believe that we will achieve this objective by (i) minimizing the capital costs of drilling and completing horizontal wells, (ii) maximizing well production and recoveries by optimizing lateral length, the number of frac stages, perforation intervals and the type of fracture stimulation employed, (iii) targeting specific BTU windows within our leasehold position to optimize our hydrocarbon mix based on the existing commodity price environment, (iv) minimizing operating costs through efficient well management, and (v) pursuing infrastructure initiatives, such as the development of our extensive water pipeline system and gas gathering system.
- *Maximize wellhead economics by ensuring timely development of processing and pipeline takeaway capacity and the marketing of our NGLs.* We expect to continue to meaningfully increase our liquids production from the NGLs, oil and condensate associated with our growing natural gas production. We endeavor to ensure that we have sufficient processing capacity in place to recover NGLs when economically desirable. We have also secured long-term firm takeaway capacity and firm sales on major pipelines that are in existence or currently under construction in our core operating areas to accommodate our growing production and to manage basis differentials. Further, we plan to maximize the value of our NGLs through processing and marketing agreements with transporters and NGL end users.
- *Continue growing our core acreage position through leasing and strategic acquisitions.* We intend to continue identifying and acquiring additional acreage and producing assets in our core areas in the Marcellus and Utica Shales. We believe that by managing a large team of dedicated landmen, we have a competitive advantage that enables us to continue to opportunistically add acreage to our core positions. This team of landmen has allowed us to build a large, contiguous acreage position in our Marcellus and Utica Shale plays, making us the logical acreage consolidator in our core areas. We initially targeted and acquired 114,000 net acres in the Marcellus Shale in 2008, based on specific geologic and technical analysis, and have selectively built our position to approximately 329,000 net acres. We started building our targeted Utica Shale acreage position in the fourth quarter of 2011 and currently have approximately 102,000 net acres of leasehold in the core of the liquids-rich window in Ohio.

- *Manage commodity price exposure through an active hedging program to protect our expected future cash flows.* We expect to continue to maintain an active hedging program designed to mitigate volatility in commodity prices and regional basis differentials and to protect our expected future cash flows. As of June 30, 2013, we had entered into hedging contracts through December 31, 2018 covering a total of approximately 943 Bcfe of our projected natural gas and oil production at a weighted average price of \$4.80 per Mcfe. These hedging contracts include hedges for the six-month period ending December 31, 2013 covering a total of approximately 84 Bcfe of our projected natural gas and oil production at a weighted average price of \$4.68 per Mcfe. This hedging program has led to over \$650 million in realized gains over the past five years.

Our Operations

Reserve Data

The information with respect to our estimated reserves presented below has been prepared in accordance with the rules and regulations of the SEC unless otherwise noted.

Reserves Presentation

Our estimated proved, probable and possible reserves and PV-10 based on SEC pricing as of December 31, 2012 and June 30, 2013 (assuming ethane recovery and ethane rejection) are based on evaluations prepared by our internal reserve engineers, which have been audited by our independent reserve engineers, DeGolyer and MacNaughton, or D&M. Over 99% and 85% of our estimated proved, probable and possible reserves as of June 30, 2013 and December 31, 2012, respectively, were audited by D&M. See "Summary—Our Properties—Reserves." For each period presented, the specific percentage of our estimated reserves audited by D&M is disclosed in their summary report filed as an exhibit to the registration statement of which this prospectus forms a part. See "—Preparation of Reserve Estimates" for definitions of proved, probable and possible reserves and the technologies and economic data used in their estimation.

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The following tables summarize our reserves and related PV-10 using SEC pricing at June 30, 2013 and December 31, 2012 assuming ethane "recovery" and ethane "rejection."

	June 30, 2013	
	Estimated Net Reserves (Bcfe)(1)	
	Ethane Recovery	Ethane Rejection
Estimated Proved Reserves:		
Natural gas (Bcf)	5,448	5,724
NGLs (MMBbl)	266	88
Oil (MMBbl)	5	5
Total equivalent proved reserves	7,074	6,282
Total equivalent proved developed reserves	1,590	1,445
Natural gas (Bcf)	1,276	1,327
NGLs (MMBbl)	51	18
Oil (MMBbl)	1	1
Percent proved developed	22%	23%
Total equivalent proved undeveloped reserves	5,484	4,837
Natural gas (Bcf)	4,172	4,397
NGLs (MMBbl)	215	70
Oil (MMBbl)	4	4
Percent proved undeveloped	78%	77%
PV-10 of proved reserves (in millions)(2)	\$ 4,243	\$ 4,468
Estimated Probable Reserves(3):		
Natural gas (Bcf)	10,416	11,366
NGLs (MMBbl)	1,009	398
Oil (MMBbl)	48	48
Total equivalent probable reserves	16,758	14,039
PV-10 of probable reserves (in millions)(2)	\$ 8,223	\$ 8,868
Estimated Possible Reserves(3):		
Natural gas (Bcf)	6,356	6,659
NGLs (MMBbl)	305	110
Oil (MMBbl)	18	18
Total equivalent possible reserves	8,293	7,428
PV-10 of possible reserves (in millions)(2)	\$ 2,210	\$ 2,413

- (1) Volumes and values were determined under SEC pricing using index prices for natural gas and oil of \$3.43 per MMBtu and \$91.65 per Bbl. These prices were then adjusted for transportation, gathering, processing, compression and other costs. For the adjusted realized prices under SEC pricing, see "—Adjusted Index Prices Used in Reserve Calculations."
- (2) PV-10 was prepared using SEC pricing, discounted at 10% per annum, without giving effect to taxes or hedges. PV-10 is a non-GAAP financial measure. We believe that the presentation of PV-10 is relevant and useful to our investors because it presents the discounted future net cash flows attributable to our reserves prior to taking into account future corporate income taxes and our current tax structure. PV-10 is based on a pricing methodology 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. Moreover, GAAP does not provide a measure of estimated future net cash flows for reserves other than proved reserves or for proved, probable or possible reserves calculated using prices other than SEC prices. PV-10 does not take into account the effect of future taxes, and PV-10 estimates for reserve categories other than proved or for pricing sensitivities uses the relevant reserve volumes and prices, as applicable, but PV-10 is otherwise calculated using the same assumptions as those for, and in a manner consistent with, the calculation of standardized measure. Because PV-10 estimates of probable and possible reserves are more uncertain than PV-10 and standardized measure of proved reserves, but have not been adjusted for risk due to that uncertainty, they may not be comparable with each other. Similarly, PV-10 estimates for price sensitivities are not adjusted for the likelihood that the relevant pricing scenario will occur, and thus they may be subject to the same issues with comparability. Nonetheless, we believe that PV-10 estimates for reserve categories other than proved or for pricing sensitivities present useful information for investors about the future net cash flows of our reserves in the absence of a comparable GAAP measure such as standardized measure. Investors should be cautioned that PV-10 does not represent an estimate of the fair market value of our proved reserves. In addition, investors should be further cautioned that estimates of PV-10 of probable reserves, as well as the underlying volumetric estimates, are inherently more uncertain of being recovered and realized than comparable measures for proved reserves, and that the uncertainty for possible reserves is even more significant. Further, because estimates of probable and possible reserve volumes and PV-10 have not been adjusted for risk due to this uncertainty of recovery, they should not be summed arithmetically with each other or with comparable estimates for proved reserves. With respect to PV-10 calculated as of an interim date, it is not practicable to calculate the taxes for the related interim period because GAAP does not provide for disclosure of standardized measure on an interim basis.

The following table sets forth the estimated future net cash flows from our proved reserves (without giving effect to our commodity hedges), the present value of those net cash flows before income tax (PV-10), and the prices used in projecting future net cash flows at June 30, 2013:

	<u>June 30,</u> <u>2013</u> <u>(In millions)</u>
Future net cash flows	\$ 14,411
Present value of future net cash flows:	
Before income tax (PV-10)	\$ 4,468

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). Costs are based on costs in effect for the applicable year without escalation. There can be no assurance that the proved reserves will be produced as estimated or that the prices and costs will remain constant. There are numerous uncertainties inherent in estimating reserves and related information and different reserve engineers often arrive at different estimates for the same properties.

- (3) All of our estimated probable and possible reserves are classified as undeveloped.

	December 31, 2012	
	Estimated Net Reserves (Bcfe)(1)	
	Ethane Recovery	Ethane Rejection
Estimated Proved Reserves:		
Natural gas (Bcf)	3,694	3,909
NGLs (MMBbl)	203	60
Oil (MMBbl)	3	3
Total equivalent proved reserves	4,929	4,283
Total equivalent proved developed reserves	1,047	933
Natural gas (Bcf)	828	866
NGLs (MMBbl)	36	10
Oil (MMBbl)	1	1
Percent proved developed	21%	22%
Total equivalent proved undeveloped reserves	3,882	3,350
Natural gas (Bcf)	2,866	3,043
NGLs (MMBbl)	167	50
Oil (MMBbl)	2	2
Percent proved undeveloped	79%	78%
PV-10 of proved reserves (in millions)(2)	\$ 1,923	\$ 1,742
Standardized measure (in millions)(3)	\$ 1,601	
Estimated Probable Reserves(4):		
Natural gas (Bcf)	8,726	9,674
NGLs (MMBbl)	1,008	382
Oil (MMBbl)	22	22
Total equivalent probable reserves	14,906	12,094
PV-10 of probable reserves (in millions)(2)(3)	\$ 6,583	\$ 5,843
Estimated Possible Reserves(4):		
Natural gas (Bcf)	3,840	4,202
NGLs (MMBbl)	380	140
Oil (MMBbl)	31	31
Total equivalent possible reserves	6,305	5,230
PV-10 of possible reserves (in millions)(2)(3)	\$ 3,161	\$ 2,879

- (1) Volumes and values were determined under SEC pricing using index prices for natural gas and oil of \$2.78 per MMBtu and \$95.05 per Bbl in the Marcellus Shale and \$2.78 per MMBtu and \$84.77 per Bbl in the Utica Shale. These prices were then adjusted for transportation, gathering, processing, compression and other costs. For the adjusted realized prices under SEC pricing, see "—Adjusted Index Prices Used in Reserve Calculations."
- (2) PV-10 was prepared using SEC pricing, discounted at 10% per annum, without giving effect to taxes or hedges. PV-10 is 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 of future net cash flows, or after tax amount, because it presents the discounted future net cash flows attributable to our 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 a pricing methodology and discount factors that are consistent for all companies. Moreover, GAAP does not provide a measure of estimated future

net cash flows for reserves other than proved reserves or for proved, probable or possible reserves calculated using prices other than SEC prices. PV-10 does not take into account the effect of future taxes, and PV-10 estimates for reserve categories other than proved or for pricing sensitivities uses the relevant reserve volumes and prices, as applicable, but PV-10 is otherwise calculated using the same assumptions as those for, and in a manner consistent with, the calculation of standardized measure. Because PV-10 estimates of probable and possible reserves are more uncertain than PV-10 and standardized measure of proved reserves, but have not been adjusted for risk due to that uncertainty, they may not be comparable with each other. Similarly, PV-10 estimates for price sensitivities are not adjusted for the likelihood that the relevant pricing scenario will occur, and thus they may be subject to the same issues with comparability. Nonetheless, we believe that PV-10 estimates for reserve categories other than proved or for pricing sensitivities present useful information for investors about the future net cash flows of our reserves in the absence of a comparable GAAP measure such as standardized measure. 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. Investors should be cautioned that neither PV-10 nor standardized measure represents an estimate of the fair market value of our proved reserves. In addition, investors should be further cautioned that estimates of PV-10 of probable reserves, as well as the underlying volumetric estimates, are inherently more uncertain of being recovered and realized than comparable measures for proved reserves, and that the uncertainty for possible reserves is even more significant. Further, because estimates of proved and probable reserve volumes and PV-10 have not been adjusted for risk due to this uncertainty of recovery, they should not be summed arithmetically with each other or with comparable estimates for proved reserves.

The following table sets forth the estimated future net cash flows from our proved reserves (without giving effect to our commodity hedges), the present value of those net cash flows before income tax (PV-10), the present value of those net cash flows after income tax (standardized measure) and the prices used in projecting future net cash flows at December 31, 2012:

	December 31, 2012
	(In millions)
Future net cash flows	\$ 7,221
Present value of future net cash flows:	
Before income tax (PV-10)	\$ 1,923
Income taxes	(322)
After income tax (standardized measure)	\$ 1,601

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). Prices for 2012 were based on 12-month unweighted average of the first-day-of-the-month pricing, without escalation. Costs are based on costs in effect for the applicable year without escalation. There can be no assurance that the proved reserves will be produced as estimated or that the prices and costs will remain constant. There are numerous uncertainties inherent in estimating reserves and related information and different reserve engineers often arrive at different estimates for the same properties.

- (3) GAAP does not prescribe any corresponding GAAP measure for PV-10 of probable or possible reserves or for any pricing sensitivity scenario. As a result, it is not practicable for us to reconcile these additional PV-10 measures to GAAP standardized measure.
- (4) All of our estimated probable and possible reserves are classified as undeveloped.

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Price Sensitivity

The following table summarizes our reserves and related PV-10 using strip pricing at June 30, 2013, assuming ethane "recovery" and ethane "rejection," in order to illustrate the sensitivity of our estimated reserves and related PV-10 to changes in product price levels based on pricing information released in the Wells Fargo Commodities Indicative Pricing Sheet. Our sensitivity analysis is limited to changes in product price levels and does not include changes to costs or the number of locations evaluated. Prices used were based on the escalating price curve for the next five years and held constant thereafter for the life of the producing properties.

Our estimated proved, probable and possible reserves and PV-10 as of June 30, 2013 based on strip pricing as of June 30, 2013 have been prepared by our internal reserve engineers, and over 99% of them were audited by our independent reserve engineers. For each period presented, the specific percentage of our estimated reserves audited by D&M is disclosed in their summary report filed as an exhibit to the registration statement of which this prospectus forms a part.

Sensitivity of Reserves to Product Price Levels

	June 30, 2013	
	Estimated Net Reserves (Bcfe)(1)	
	Ethane Recovery	Ethane Rejection
Sensitivity of Estimated Proved Reserves Based on Strip Pricing:		
Natural gas (Bcf)	5,460	5,737
NGLs (MMBbl)	266	88
Oil (MMBbl)	5	5
Total equivalent proved reserves	7,087	6,295
Total equivalent proved developed reserves	1,594	1,448
Natural gas (Bcf)	1,279	1,330
NGLs (MMBbl)	51	18
Oil (MMBbl)	1	1
Percent proved developed	22%	23%
Total equivalent proved undeveloped reserves	5,493	4,847
Natural gas (Bcf)	4,181	4,407
NGLs (MMBbl)	215	70
Oil (MMBbl)	4	4
Percent proved undeveloped	78%	77%
PV-10 of proved reserves (in millions)(2)	\$ 5,279	\$ 5,644
Sensitivity of Estimated Probable Reserves Based on Strip Pricing(3):		
Natural gas (Bcf)	10,432	11,383
NGLs (MMBbl)	1,009	398
Oil (MMBbl)	48	48
Total equivalent probable reserves	16,776	14,057
PV-10 of probable reserves (in millions)(2)	\$ 9,173	\$ 10,210
Sensitivity of Estimated Possible Reserves Based on Strip Pricing(3):		
Natural gas (Bcf)	6,371	6,674
NGLs (MMBbl)	305	110
Oil (MMBbl)	18	18
Total equivalent possible reserves	8,310	7,444
PV-10 of possible reserves (in millions)(2)	\$ 2,939	\$ 3,245

- (1) Volumes and values were determined under strip pricing using index prices for natural gas and oil of \$3.86 per MMBtu and \$87.04 per Bbl. These prices were then adjusted for transportation, gathering, processing, compression and other costs. For the adjusted realized prices under strip pricing, see "—Adjusted Index Prices Used in Reserve Calculations."
- (2) PV-10 was prepared using average yearly prices computed using strip pricing, discounted at 10% per annum, without giving effect to taxes or hedges. PV-10 is a non-GAAP financial measure. We believe that the presentation of PV-10 is relevant and useful to our investors because it presents the discounted future net cash flows attributable to our reserves prior to taking into account future corporate income taxes and our current tax structure. PV-10 is based on a pricing methodology 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. Moreover, GAAP does not provide a measure

of estimated future net cash flows for reserves other than proved reserves or for proved, probable or possible reserves calculated using prices other than SEC prices. PV-10 does not take into account the effect of future taxes, and PV-10 estimates for reserve categories other than proved or for pricing sensitivities uses the relevant reserve volumes and prices, as applicable, but PV-10 is otherwise calculated using the same assumptions as those for, and in a manner consistent with, the calculation of standardized measure. Because PV-10 estimates of probable and possible reserves are more uncertain than PV-10 and standardized measure of proved reserves, but have not been adjusted for risk due to that uncertainty, they may not be comparable with each other. Similarly, PV-10 estimates for price sensitivities are not adjusted for the likelihood that the relevant pricing scenario will occur, and thus they may be subject to the same issues with comparability. Nonetheless, we believe that PV-10 estimates for reserve categories other than proved or for pricing sensitivities present useful information for investors about the future net cash flows of our reserves in the absence of a comparable GAAP measure such as standardized measure. Investors should be cautioned that PV-10 does not represent an estimate of the fair market value of our reserves. In addition, investors should be further cautioned that estimates of PV-10 of probable reserves, as well as the underlying volumetric estimates, are inherently more uncertain of being recovered and realized than comparable measures for proved reserves, and that the uncertainty for possible reserves is even more significant. Further, because estimates of proved and probable reserve volumes and PV-10 have not been adjusted for risk due to this uncertainty of recovery, they should not be summed arithmetically with each other or with comparable estimates for proved reserves. With respect to PV-10 calculated as of an interim date, it is not practicable to calculate the taxes for the related interim period because GAAP does not provide for disclosure of standardized measure on an interim basis.

- (3) All of our estimated probable and possible reserves are classified as undeveloped.

Changes in Proved Reserves During the Six Months Ended June 30, 2013

The following table summarizes the changes in our estimated proved reserves during the six months ended June 30, 2013 (in Bcfe):

Proved reserves, December 31, 2012	4,929
Extensions, discoveries, and other additions	1,982
Price and performance revisions	(553)
Sales of reserves in place	—
Production	(76)
Proved reserves, June 30, 2013	<u>6,282</u>

Extensions, discoveries, and other additions during the six months ended June 30, 2013 of 1,982 Bcfe were added through the drillbit in the Marcellus and Utica Shales, including the addition of 210 Bcfe attributable to NGLs and oil. Upward price revisions increased proved reserves by 10 Bcfe and performance revisions increased proved reserves by 82 Bcfe. Downward price revisions decreased proved reserves by 645 Bcfe as a result of the pricing environment shifting to one that favors ethane rejection at June 30, 2013. Our estimated proved reserves as of June 30, 2013 totaled approximately 6.3 Tcfe. Our proved developed reserves increased to 1,445 Bcfe at June 30, 2013.

Changes in Proved Reserves During 2012

The following table summarizes the changes in our estimated proved reserves during 2012 (in Bcfe):

Proved reserves, December 31, 2011	5,017
Extensions, discoveries, and other additions	1,951
Price and performance revisions	222
Sales of reserves in place(1)	(2,174)
Production	(87)
Proved reserves, December 31, 2012	<u>4,929</u>

(1) Includes 2012 production from Arkoma and Piceance Basins of 35 Bcfe.

Extensions, discoveries, and other additions during 2012 of 1,951 Bcfe were added through the drillbit in the Marcellus and Utica Shales, including the addition of 709 Bcfe attributable to NGLs and oil. Downward price revisions resulted in a reduction of proved reserves of 102 Bcfe and performance revisions increased proved reserves by 324 Bcfe. Sales of proved reserves of 2,174 Bcfe resulted from the sale of our Arkoma and Piceance Basin properties. Our estimated proved reserves as of December 31, 2012 totaled approximately 4.9 Tcfe. Our proved developed reserves increased year over year by 24% to 1,047 Bcfe at December 31, 2012.

Adjusted Index Prices Used in Reserve Calculations

The following tables show our index prices used in our reserve calculations as of the dates indicated under both SEC pricing and strip pricing:

	<u>June 30,</u> <u>2013</u>	
	<u>Marcellus</u>	<u>Utica</u>
SEC Pricing:		
Natural gas (per MMBtu)	\$ 3.43	\$ 3.43
Oil (per Bbl)	\$ 91.65	\$ 91.65

Strip Pricing:		
Natural gas (per MMBtu)	\$ 3.86	\$ 3.86
Oil (per Bbl)	\$ 87.04	\$ 87.04

	<u>December 31,</u> <u>2012</u>	
	<u>Marcellus</u>	<u>Utica</u>
SEC Pricing:		
Natural gas (per MMBtu)	\$ 2.78	\$ 2.78
Oil (per Bbl)	\$ 95.05	\$ 95.05

The following table shows the product price levels used to determine the relevant average index price under strip pricing based on pricing information released in the Wells Fargo Commodities Indicative Pricing Sheet. These price levels have not been adjusted for transportation, gathering, processing, compression or other costs.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Thereafter</u>
TCO Gas Price (per MMBtu)	\$ 3.48	\$ 3.69	\$ 3.90	\$ 4.05	\$ 4.19	\$ 4.19
App Oil Price (per Bbl)	\$ 95.37	\$ 90.42	\$ 85.76	\$ 82.76	\$ 80.88	\$ 80.88

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The following tables show our index prices, as adjusted for gathering, processing, compression and other costs, and used in our reserve calculations as of the dates indicated under both SEC pricing and strip pricing and assuming ethane "recovery" and ethane "rejection":

	June 30, 2013					
	Ethane Recovery			Ethane Rejection		
	Marcellus	Upper Devonian	Utica	Marcellus	Upper Devonian	Utica
SEC Pricing:						
Proved Reserves:						
Natural gas (per Mcf)	\$ 3.00	\$ 3.12	\$ 2.77	\$ 3.01	\$ 3.12	\$ 3.11
NGLs (per Bbl)	\$ 17.82		\$ 23.43	\$ 45.66		\$ 48.80
Oil (per Bbl)	\$ 81.65		\$ 81.14	\$ 81.65		\$ 81.14
Probable Reserves:						
Natural gas (per Mcf)	\$ 3.06	\$ 3.09	\$ 2.75	\$ 3.09	\$ 3.09	\$ 3.10
NGLs (per Bbl)	\$ 21.54	\$ 14.70	\$ 21.64	\$ 46.98	\$ 44.06	\$ 48.12
Oil (per Bbl)	\$ 81.65		\$ 81.05	\$ 81.65		\$ 81.05
Possible Reserves:						
Natural gas (per Mcf)	\$ 3.01	\$ 2.86	\$ 3.07	\$ 3.01	\$ 2.97	\$ 3.23
NGLs (per Bbl)	\$ 24.95	\$ 16.77	\$ 22.04	\$ 47.85	\$ 45.25	\$ 48.12
Oil (per Bbl)	\$ 81.65	\$ 81.65	\$ 81.06	\$ 81.65	\$ 81.65	\$ 81.06
Strip Pricing Sensitivity						
Case:						
Sensitivity of Proved Reserves Based on Strip Pricing:						
Natural gas (per Mcf)	\$ 3.75	\$ 3.91	\$ 3.39	\$ 3.76	\$ 3.91	\$ 3.78
NGLs (per Bbl)	\$ 15.43		\$ 19.80	\$ 37.93		\$ 40.66
Oil (per Bbl)	\$ 72.06		\$ 74.42	\$ 72.06		\$ 74.42
Sensitivity of Probable Reserves Based on Strip Pricing:						
Natural gas (per Mcf)	\$ 3.86	\$ 3.90	\$ 3.08	\$ 3.89	\$ 3.90	\$ 3.89
NGLs (per Bbl)	\$ 18.44	\$ 12.78	\$ 18.35	\$ 39.01	\$ 37.21	\$ 39.87
Oil (per Bbl)	\$ 71.13		\$ 72.17	\$ 71.13		\$ 72.17
Sensitivity of Possible Reserves Based on Strip Pricing:						
Natural gas (per Mcf)	\$ 3.79	\$ 3.63	\$ 3.63	\$ 3.79	\$ 3.76	\$ 4.03
NGLs (per Bbl)	\$ 21.18	\$ 14.63	\$ 18.69	\$ 39.73	\$ 36.96	\$ 39.78
Oil (per Bbl)	\$ 70.89	\$ 70.88	\$ 70.70	\$ 70.89	\$ 70.88	\$ 70.66

	December 31, 2012			
	Ethane Recovery		Ethane Rejection	
	Marcellus	Utica	Marcellus	Utica
SEC Pricing:				
Proved Reserves:				
Natural gas (per Mcf)	\$ 1.99	\$ 2.08	\$ 2.17	\$ 2.37
NGLs (per Bbl)	\$ 26.36	\$ 28.81	\$ 48.88	\$ 53.87
Oil (per Bbl)	\$ 85.05	\$ 84.47	\$ 85.05	\$ 84.47
Probable Reserves:				
Natural gas (per Mcf)	\$ 2.06	\$ 2.08	\$ 2.32	\$ 2.37
NGLs (per Bbl)	\$ 26.48	\$ 28.48	\$ 51.60	\$ 54.12
Oil (per Bbl)	\$ 85.05	\$ 84.47	\$ 85.05	\$ 84.47
Possible Reserves:				
Natural gas (per Mcf)	\$ 2.12	\$ 2.13	\$ 2.27	\$ 2.40
NGLs (per Bbl)	\$ 26.36	\$ 25.56	\$ 51.45	\$ 51.84
Oil (per Bbl)	\$ 85.05	\$ 84.47	\$ 85.05	\$ 84.47

Proved Undeveloped Reserves

Proved undeveloped reserves are included in the previous table of total proved reserves. The following table summarizes the changes in our estimated proved undeveloped reserves during 2012 (in Bcfe):

Proved undeveloped reserves, December 31, 2011	4,173
Conversions into proved developed reserves	(377)
Extensions, discoveries, and other additions	1,692
Price and performance revisions	144
Sales of reserves in place	(1,750)
Proved undeveloped reserves, December 31, 2012	<u>3,882</u>

Extensions, discoveries, and other additions during 2012 of 1,692 Bcfe proved undeveloped reserves were added through the drillbit in the Marcellus and Utica Shales, including the addition of 613 Bcfe attributable to NGLs and oil. Downward price revisions resulted in a reduction of proved undeveloped reserves by 95 Bcfe and performance revisions increased proved undeveloped reserves by 239 Bcfe. Sales of proved undeveloped reserves of 1,750 Bcfe resulted from the sale of our Arkoma and Piceance Basin properties. Our estimated proved undeveloped reserves as of December 31, 2012 totaled approximately 3.9 Tcfe.

We incurred costs of approximately \$396 million in 2012 to convert 377 Bcfe of proved undeveloped reserves to proved developed reserves in 2012. Estimated future development costs relating to the development of our proved undeveloped reserves at December 31, 2012 are approximately \$3.3 billion over the next five years, which we expect to finance through the proceeds of this offering, cash flow from operations, borrowings under our credit facility, sales of non-core assets and other sources of capital financing. Our drilling programs to date have focused on proving our undeveloped leasehold acreage through delineation drilling. While we will continue to drill leasehold delineation wells and build on our current leasehold position, we will also focus on drilling our proved undeveloped reserves. All of our proved undeveloped reserves are expected to be developed over the next five years. See "Risk Factors—Risks Related to Our Business—The development of our estimated proved undeveloped reserves may take longer and may require higher levels of capital expenditures than we currently anticipate. Therefore, our estimated proved undeveloped reserves may not be ultimately developed or produced."

Preparation of Reserve Estimates

Our reserve estimates as of December 31, 2012, 2011 and 2010 and June 30, 2013 included in this prospectus were prepared by our internal reserve engineers in accordance with petroleum engineering and evaluation standards published by the Society of Petroleum Evaluation Engineers and definitions and guidelines established by the SEC. Certain of the internally prepared reserve estimates were audited by our independent reserve engineers. Our independent reserve engineers were selected for their historical experience and geographic expertise in engineering unconventional resources. The technical persons responsible for overseeing the audit of our reserve estimates presented herein meet the requirements regarding qualifications, independence, objectivity and confidentiality set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers.

Our internal staff of petroleum engineers and geoscience professionals work closely with our independent reserve engineers to ensure the integrity, accuracy and timeliness of data furnished to our independent reserve engineers in their reserve auditing process. Periodically, our technical team meets with the independent reserve engineers to review properties and discuss methods and assumptions used by us to prepare reserve estimates. Our internally prepared reserve estimates and related reports are reviewed and approved by our Vice President of Reserves, Planning & Midstream, Ward D. McNeilly, and our Vice President of Production, Kevin J. Kilstrom. Mr. McNeilly has been with the Company since October 2010. Mr. McNeilly has 34 years of experience in oil and gas operations, reservoir management, and strategic planning. From 2007 to October 2010 Mr. McNeilly was the Operations Manager for BHP Billiton's Gulf of Mexico operations. From 1996 through 2007, Mr. McNeilly served in various North Sea and Gulf of Mexico Deepwater operations and asset management positions with Amoco and then BP. From 1979 through 1996 Mr. McNeilly served in various domestic and international operations and reservoir and asset management positions with Amoco. Mr. McNeilly holds a B.S. in Geological Engineering from the Mackay School of Mines at the University of Nevada.

Mr. 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 2006 and as a Business Unit Manager for Marathon's Powder River coal bed methane assets from 2001 to 2003. Mr. Kilstrom also served as a member of the board of directors of three Marathon subsidiaries from October 2003 through May 2005. Mr. Kilstrom was an Operations Manager and reserve engineer at Pennaco Energy from 1999 to 2001. Mr. Kilstrom was at Amoco for more than 22 years prior to 1999 where he served in various operating roles with a focus on unconventional resources. Mr. Kilstrom holds a B.S. in Engineering from Iowa State University and an M.B.A. from DePaul University. Our senior management also reviews our reserve estimates and related reports with Mr. McNeilly and Mr. Kilstrom and other members of our technical staff. Additionally, our senior management reviews and approves any internally estimated significant changes to our proved reserves on a quarterly basis.

Proved reserves are reserves which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward from known reservoirs under existing economic conditions, operating methods and government regulations prior to the time at which contracts providing the right to operate expires, unless evidence indicates that renewal is reasonably certain. The term "reasonable certainty" implies a high degree of confidence that the quantities of oil or natural gas actually recovered will equal or exceed the estimate. To achieve reasonable certainty, we and the independent reserve engineers employed technologies that have been demonstrated to yield results with consistency and repeatability. The technologies and economic data used in the estimation of our proved reserves include, but are not limited to, well logs, geologic maps and available downhole and production data, micro-seismic data and well-test data. Probable reserves are reserves that are less certain to be recovered than proved reserves but which, together with proved

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reserves, are as likely as not to be recovered. Estimates of probable reserves which may potentially be recoverable through additional drilling or recovery techniques are by nature more uncertain than estimates of proved reserves and accordingly are subject to substantially greater risk of not actually being realized by us. Possible reserves are reserves that are less certain to be recovered than probable reserves. Estimates of possible reserves are also inherently imprecise. Estimates of probable and possible reserves are also continually subject to revisions based on production history, results of additional exploration and development, price changes and other factors.

Methodology Used to Apply Reserve Definitions

In the Marcellus Shale, our estimated reserves are based on information from our large, operated proved developed producing reserve base, as well as public information from other operators in the area, which can be used to confirm or supplement our internal estimates. Typically, proved undeveloped properties are booked based on applying the estimated lateral length to the average Bcf per 1,000 feet from our proved developed producing wells.

We may attribute up to 11 proved undeveloped locations based on one proved developed producing well where analysis of geologic and engineering data can be estimated with reasonable certainty to be commercially recoverable. However, the ratio of proved undeveloped locations generated will be lower when multiple proved developed wells are drilled on a single pad. In addition, we have applied the concept of a Highly-Developed Area, or HDA, to certain areas of our Marcellus Shale acreage whereby undeveloped properties are booked as proved reserves so long as well count is sufficient for statistical analysis and certain land, geologic, engineering and commercial criteria are met, including sufficient proved developed producing results and a geologically continuous and consistent reservoir.

Locations for probable reserves are booked within a three-mile radius of existing Marcellus Shale production where analysis of geologic and engineering data suggests these locations are more likely than not to be recovered. Possible locations are booked outside the scope of the three-mile probable radius.

Although our operating history in the Utica Shale is more limited than our Marcellus Shale operations, we expect to be able to apply a similar methodology once the well count is sufficient for statistical analysis. The primary differences between the two areas are that (i) we have not established an HDA in the Utica Shale and (ii) each proved developed producing well in the Utica Shale is only able to generate four direct offset well locations in the Utica Shale due to less relative maturity.

Identification of Potential Well Locations

Our identified potential well locations include locations to which proved, probable or possible reserves were attributable based on SEC pricing as of June 30, 2013 and December 31, 2012.

Our identified potential well locations to which proved, probable or possible reserves were attributable are identified in accordance with the methodology described in "—Methodology Used to Apply Reserve Definitions." Our locations that were uneconomic based on SEC pricing as of June 30, 2013 include 89 locations in the Marcellus Shale, 86 locations in the Utica Shale and 185 in the Upper Devonian Shale. Our identified potential well locations prospective for the Utica Shale dry gas include 950 potential locations as of June 30, 2013.

Production, Revenues and Price History

Natural gas, NGLs, and oil are commodities; therefore, the price that we receive for our production is largely a function of market supply and demand. While demand for natural gas in the United States has increased dramatically since 2000, natural gas and NGL supplies have also increased

significantly as a result of horizontal drilling and fracture stimulation technologies which have been used to find and recover large amounts of oil and natural gas from various shale formations throughout the United States. Demand is impacted by general economic conditions, weather and other seasonal conditions. 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 natural gas prices or poor drilling results could have a material adverse effect on our financial position, results of operations, cash flows, quantities of natural gas reserves that may be economically produced and our ability to access capital markets. See "Risk Factors—Risks Related 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 following table sets forth information regarding our production, our revenues and realized prices, and production costs from continuing operations in the Appalachian Basin for the years ended December 31, 2010, 2011 and 2012 and for the three and six months ended June 30, 2012 and 2013. For additional information on price calculations, see information set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Continuing Operations Data—Appalachian Basin

	Year Ended December 31,			Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2011	2012	2012	2013	2012	2013
Production data:							
Natural gas (Bcf)	11	45	87	19	39	35	73
NGLs (MBbl)	—	—	71	—	354	—	559
Oil (MBbl)	—	2	19	4	25	4	35
Total combined production (Bcfe)	11	45	87	19	42	35	76
Average daily combined production (MMcfe/d)	30	124	239	213	458	195	421
Average sales prices:							
Natural gas (per Mcf)	\$ 4.39	\$ 4.33	\$ 2.99	\$ 2.31	\$ 4.37	\$ 2.53	\$ 4.05
NGLs (per Bbl)	\$ —	\$ —	\$ 52.07	\$ —	\$ 48.70	\$ —	\$ 49.75
Oil (per Bbl)	\$ —	\$ 97.19	\$ 80.34	\$ 77.16	\$ 85.07	\$ 80.05	\$ 85.36
Combined average sales prices before effects of hedges (per Mcfe)(1)	\$ 4.39	\$ 4.33	\$ 3.03	\$ 2.32	\$ 4.60	\$ 2.54	\$ 4.27
Combined average sales prices after effects of hedges (per Mcfe)(1)	\$ 5.78	\$ 5.44	\$ 5.08	\$ 4.90	\$ 4.94	\$ 5.26	\$ 5.09
Average costs per Mcfe:							
Lease operating costs	\$ 0.11	\$ 0.10	\$ 0.07	\$ 0.10	\$ 0.03	\$ 0.07	\$ 0.03
Gathering, compression, processing and transportation	\$ 0.85	\$ 0.83	\$ 1.04	\$ 1.04	\$ 1.17	\$ 0.89	\$ 1.18
Production taxes	\$ 0.27	\$ 0.26	\$ 0.23	\$ 0.17	\$ 0.24	\$ 0.20	\$ 0.25
Depreciation, depletion, amortization and accretion	\$ 1.71	\$ 1.24	\$ 1.17	\$ 1.15	\$ 1.27	\$ 1.08	\$ 1.23
General and administrative	\$ 2.03	\$ 0.74	\$ 0.52	\$ 0.54	\$ 0.33	\$ 0.55	\$ 0.35

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

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The table above does not include the following production or revenue from discontinued operations from the Arkoma and Piceance Basin properties which were sold in 2012:

	Year Ended December 31,		
	2010	2011	2012
Production (combined Bcfe)	36	44	35
Natural gas, NGL and oil production revenues (in millions)	\$ 159	\$ 197	\$ 125

Productive Wells

As of June 30, 2013, we had a total of 416 gross (380 net) producing wells, averaging a 91% working interest. This well count includes 243 gross and 214 net shallow vertical wells that were acquired in conjunction with leasehold acreage acquisitions. Our wells are natural gas wells, many of which also produce oil, condensate and NGLs. We do not have interests in any wells that only produce oil or NGLs.

Acreage

The following table sets forth certain information regarding the total developed and undeveloped acreage in which we owned an interest as of June 30, 2013. Approximately 52% of our Marcellus acreage and 20% of our Utica acreage was held by production at June 30, 2013. Acreage related to royalty, overriding royalty and other similar interests is excluded from this table.

Basin	Developed Acres		Undeveloped Acres		Total Acres	
	Gross	Net	Gross	Net	Gross	Net
Marcellus	27,078	26,648	374,851	293,764	401,929	320,412
Utica	1,971	1,597	121,746	98,721	123,717	100,318
Total	29,049	28,245	496,597	392,485	525,646	420,730

Undeveloped Acreage Expirations

The following table sets forth the number of total gross and net undeveloped acres as of June 30, 2013 that will expire in 2013, 2014 and 2015 in the Marcellus Shale unless production is established within the spacing units covering the acreage prior to the expiration dates or unless such acreage is extended or renewed.

	Gross	Net
2013	9,844	7,857
2014	11,517	5,861
2015	25,669	18,046

As of June 30, 2013, we had less than 100 net acres of leasehold in the Utica Shale that will expire over the next three years.

Drilling Activity

The following table summarizes our drilling activity for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013. Gross wells reflect the sum of all wells in which we

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own an interest and includes historical drilling activity in the Appalachian, Arkoma and Piceance Basins. Net wells reflect the sum of our working interests in gross wells.

	Year Ended December 31,						Six Months Ended June 30,	
	2010		2011		2012		2013	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Development wells:								
Productive	128	24	135	65	107	92	36	35
Dry	—	—	—	—	—	—	—	—
Total development wells	128	24	135	65	107	92	36	35
Exploratory wells:								
Productive	56	22	74	30	30	24	33	32
Dry	11	5	—	—	—	—	—	—
Total exploratory wells	67	27	74	30	30	24	33	32

Delivery Commitments

We have entered into various firm sales contracts to deliver and sell gas. We believe we will have sufficient production quantities to meet such commitments, but may be required to purchase gas from third parties to satisfy shortfalls should they occur.

As of June 30, 2013, our firm sales commitments through 2017 included:

<u>Year Ending December 31,</u>	<u>Volume of Natural Gas (MMcfe/d)</u>
2013	260
2014	430
2015	420
2016	388
2017	212

In addition, we have firm transportation contracts that require us to deliver products to pipeline transporters or pay demand charges for shortfalls. The minimum demand fees are reflected in our table of contractual obligations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Debt Agreements and Contractual Obligations."

Major Customers

For the year ended December 31, 2012, sales to South Jersey Resources Group, LLC, Nextera Energy Powermarketing LLC and Dominion Filed Services Inc. represented 23%, 13% and 10% of our total sales, respectively. For the year ended December 31, 2011, sales from our top three customers accounted for 28%, 17%, and 12% of our total sales, respectively. For the year ended December 31, 2010, sales from our top three customers accounted for 23%, 13% and 11% of our total sales, respectively. Although a substantial portion of production is purchased by these major customers, we do not believe the loss of any one or several customers would have a material adverse effect on our business, as other customers or markets would be accessible to us.

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.

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. 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 Oil and Natural Gas 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 oil or 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 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 or density, 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 or density. Moreover, each state generally imposes a production or severance tax with respect to the production and sale of oil, natural gas and NGLs within its jurisdiction.

We own interests in properties located onshore in three 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 oil and natural gas 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, or 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, or 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 greatly reduced 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, or EP Act of 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, the EP Act of 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 of 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 the EP Act of 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

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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, 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 and interstate pipelines are required to post information regarding the provision of no-notice service. In October 2011, Order 720, as clarified, was vacated by the Court of Appeals for the Fifth Circuit with respect to its application to non-interstate pipelines. In December 2011, the Fifth Circuit confirmed that Order 720, as clarified, remained applicable to interstate pipelines with respect to posting information regarding the provision of no-notice service.

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 ongoing 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, or CEA, and regulations promulgated thereunder by the Commodity Futures Trading Commission, or 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 Safety and Health Matters

Our natural gas and oil exploration and production operations are subject to numerous stringent federal, regional, state and local statutes and regulations governing occupational safety and health, 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 or other regulated activity 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, establish specific safety and health criteria addressing worker protection 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.

The following is a summary of the more significant existing environmental and occupational health and safety laws and regulations, as amended from time to time, to which our business operations are subject and for which compliance may have a material adverse impact on our capital expenditures, results of operations or financial position.

National Environmental Policy Act

Natural gas and oil exploration and production activities on federal lands are subject to the National Environmental Policy Act, or the 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, or 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 or limit, or increase the cost of, 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.

Hazardous Substances and Waste Handling

The Comprehensive Environmental Response, Compensation, and Liability Act, or CERCLA, also known as the "Superfund" law, and comparable state laws impose liability, without regard to fault or the legality of the original conduct, on certain classes of persons that are considered to have contributed to the release of a "hazardous substance" into the environment. These persons include the current and past owner or operator of the disposal site or the site where the release occurred and companies that disposed or arranged for the disposal of the hazardous substances at the site where the release occurred. Under CERCLA, such persons may be subject to joint and several strict liability for the costs of cleaning up the hazardous substances that have been released into the environment and for damages to natural resources, and it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment. We are able to control directly the operation of only those wells with respect to which we act as operator. Notwithstanding our lack of direct control over wells operated by others, the failure of an operator other than us to comply with applicable environmental regulations may, in certain circumstances, be attributed to us. We generate materials in the course of our operations that may be regulated as hazardous substances but we are unaware of any liabilities for which we may be held responsible that would materially and adversely affect us.

The Resource Conservation and Recovery Act, or RCRA, and analogous state laws, impose detailed requirements for the generation, handling, storage, treatment and disposal of nonhazardous and hazardous solid wastes. RCRA specifically excludes drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas or geothermal energy from regulation as hazardous wastes. However, these wastes may be regulated by the EPA or state agencies under RCRA's less stringent nonhazardous solid waste provisions, state laws or other federal laws. Moreover, it is possible that these particular oil and natural gas exploration, development and production wastes now classified as nonhazardous solid wastes could be classified as hazardous wastes in the future. A loss of the RCRA exclusion for drilling fluids, produced waters and related wastes could result in an increase in our costs to manage and dispose of generated wastes, which could have a material adverse effect on our results of operations and financial position. In addition, in the course of our operations, we generate some amounts of ordinary industrial wastes, such as paint wastes, waste solvents, laboratory wastes and waste compressor oils that are regulated as hazardous wastes. Although the costs of managing hazardous waste may be significant, we do not believe that our costs in this regard are materially more burdensome than those for similarly situated companies.

We currently own, lease, or operate numerous properties that have been used for oil and natural gas exploration and production activities for many years. Although we believe that we have utilized operating and waste disposal practices that were standard in the industry at the time, hazardous substances, wastes, or petroleum hydrocarbons may have been released on, under or from the properties owned or leased by us, or on, under or from other locations, including off-site locations, where such substances have been taken for recycling or disposal. In addition, some of our properties have been operated by third parties or by previous owners or operators whose treatment and disposal of hazardous substances, wastes, or petroleum hydrocarbons was not under our control. These properties and the substances disposed or released on, under or from them may be subject to CERCLA, RCRA and analogous state laws. Under such laws, we could be required to undertake response or corrective measures, which could include removal of previously disposed substances and

wastes, cleanup of contaminated property or performance of remedial plugging or pit closure operations to prevent future contamination.

Water Discharges

The Federal Water Pollution Control Act, or the Clean Water Act, and comparable state laws impose restrictions and strict controls regarding the discharge of pollutants, including produced waters and other oil and natural gas wastes, into federal and state waters. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or the state. The discharge of dredge and fill material in regulated waters, including wetlands, is also prohibited, unless authorized by a permit issued by the U.S. Army Corps of Engineers. Obtaining permits has the potential to delay the development of natural gas and oil projects. 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 believe that we maintain all required discharge permits necessary to conduct our operations, and further 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 implementing the physical and operation controls imposed by these plans, the costs of which are not expected to be substantial.

Air Emissions

The federal Clean Air Act and comparable state laws restrict the emission of air pollutants from many sources, such as, for example, compressor stations, through air emissions standards, construction and operating permitting programs and the imposition of other compliance requirements. These laws and regulations may require us to obtain pre-approval for the construction or modification of certain projects or facilities expected to produce or significantly increase air emissions, obtain and strictly comply with stringent air permit requirements or utilize specific equipment or technologies to control emissions of certain pollutants. The need to obtain permits has the potential to delay the development of oil and natural gas projects. Over the next several years, we may be required to incur certain capital expenditures for air pollution control equipment or other air emissions related issues. For example, on August 16, 2012, the EPA published final rules under the Clean Air Act that subject oil and natural gas production, processing, transmission and storage operations to regulation under the New Source Performance Standards, or NSPS, and National Emission Standards for Hazardous Air Pollutants, or NESHAP, programs. With regards to production activities, these final rules require, among other things, the reduction of volatile organic compound emissions from three subcategories of fractured and refractured gas wells for which well completion operations are conducted: wildcat (exploratory) and delineation gas wells; low reservoir pressure non-wildcat and non-delineation gas wells; and all "other" fractured and refractured gas wells. All three subcategories of wells must route flow back emissions to a gathering line or be captured and combusted using a combustion device such as a flare after October 15, 2012. However, the "other" wells must use reduced emission completions, also known as "green completions," with or without combustion devices, after January 1, 2015. These regulations also establish specific new requirements regarding emissions from production-related wet seal and reciprocating compressors, effective October 15, 2012 and from pneumatic controllers and storage vessels, effective October 15, 2013. EPA received numerous requests for reconsideration of these rules from both industry and the environmental community, and court challenges to the rules were also filed.

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EPA intends to issue revised rules in 2013 that are likely responsive to some of these requests. For example, on April 12, 2013 EPA published a proposed amendment extending compliance dates for certain storage vessels. Compliance with these and other air pollution control and permitting requirements has the potential to delay the development of natural gas and oil projects and increase our costs of development and production, which costs could be significant. However, we do not believe that compliance with such requirements will have a material adverse effect on our operations.

Regulation of "Greenhouse Gas" Emissions

In response to findings that emissions of carbon dioxide, methane and other greenhouse gases, or GHGs, present an endangerment to public health and the environment, the EPA has adopted regulations under existing provisions of the federal Clean Air Act that, among other things, establish PSD construction and Title V operating permit reviews for certain large stationary sources that are potential major sources of GHG emissions. Facilities required to obtain PSD permits for their GHG emissions also will be required to meet "best available control technology" standards that will be established by the states or, in some cases, by the EPA on a case-by-case basis. These EPA rulemakings could adversely affect our operations and restrict or delay our ability to obtain air permits for new or modified sources. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified onshore and offshore oil and gas production sources in the United States on an annual basis, which include certain of our operations. We are monitoring GHG emissions from our operations in accordance with the GHG emissions reporting rule and believe that our monitoring activities are in substantial compliance with applicable reporting obligations.

While Congress has from time to time considered legislation to reduce emissions of GHGs, there has not been significant activity in the form of adopted legislation to reduce GHG emissions at the federal level in recent years. In the absence of such federal climate legislation, a number of state and regional efforts have emerged that are aimed at tracking and/or reducing GHG emissions by means of cap and trade programs that typically require major sources of GHG emissions, such as electric power plants, to acquire and surrender emission allowances in return for emitting those GHGs. If Congress undertakes comprehensive tax reform in the coming year, it is possible that such reform may include a carbon tax, which could impose additional direct costs on operations and reduce demand for refined products. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact our business, any such future laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, our equipment and operations could require us to incur costs to reduce emissions of GHGs associated with our operations. Severe limitations on GHG emissions could adversely affect demand for the oil and natural gas we produce. Finally, it should be noted that some scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic event; if any such effects were to occur, they could have an adverse effect on our exploration and production operations.

Hydraulic Fracturing Activities

Hydraulic fracturing is an important and common practice that is used to stimulate production of natural gas and/or oil from dense subsurface rock formations. The hydraulic fracturing process involves the injection of water, sand, and chemicals under pressure through a cased and cemented wellbore into targeted subsurface formations to fracture the surrounding rock and stimulate production. We regularly use hydraulic fracturing as part of our operations as does most of the domestic oil and natural gas industry. Hydraulic fracturing typically is regulated by state oil and natural gas commissions, but the EPA has asserted federal regulatory authority pursuant to the SDWA over certain hydraulic fracturing activities involving the use of diesel fuels and published draft permitting guidance in May 2012 addressing the performance of such activities using diesel fuels. In November 2011, the EPA announced

its intent to develop and issue regulations under the Toxic Substances Control Act to require companies to disclose information regarding the chemicals used in hydraulic fracturing and the agency currently plans to issue a Notice of Proposed Rulemaking that would seek public input on the design and scope of such disclosure regulations.

In addition, Congress has from time to time considered legislation to provide for federal regulation of hydraulic fracturing under the SDWA and to require disclosure of the chemicals used in the hydraulic fracturing process. At the state level, several states have adopted or are considering legal requirements that could impose more stringent permitting, disclosure, and well construction requirements on hydraulic fracturing activities. Local government also may seek to adopt ordinances within their jurisdictions regulating the time, place and manner of drilling activities in general or hydraulic fracturing activities in particular. We believe that we follow applicable standard industry practices and legal requirements for groundwater protection in our hydraulic fracturing activities. Nonetheless, if new or more stringent federal, state, or local legal restrictions relating to the hydraulic fracturing process are adopted in areas where we operate, we could incur potentially significant added costs to comply with such requirements, experience delays or curtailment in the pursuit of exploration, development, or production activities, and perhaps even be precluded from drilling wells.

In addition, certain governmental reviews have been conducted or are underway that focus on environmental aspects of hydraulic fracturing practices. The White House Council on Environmental Quality is coordinating an administration-wide review of hydraulic fracturing practices. The EPA has commenced a study of the potential environmental effects of hydraulic fracturing on drinking water and groundwater, with a first progress report outlining work currently underway by the agency released on December 21, 2012 and a draft final report drawing conclusions about the potential impacts of hydraulic fracturing on drinking water resources expected to be available for public comment and peer review by 2014. Moreover, the EPA is developing effluent limitations for the treatment and discharge of wastewater resulting from hydraulic fracturing activities and plans to propose these standards by 2014. In addition, the U.S. Department of the Interior published a revised proposed rule on May 24, 2013 that would implement updated requirements for hydraulic fracturing activities on federal lands, including new requirements relating to public disclosure, well bore integrity and handling of flowback water. Other governmental agencies, including the U.S. Department of Energy have evaluated or are evaluating various other aspects of hydraulic fracturing. These ongoing or proposed studies, depending on their degree of pursuit and any meaningful results obtained, could spur initiatives to further regulate hydraulic fracturing under the SDWA or other regulatory mechanisms.

Occupational Safety and Health Act

We are also subject to the requirements of the federal Occupational Safety and Health Act, as amended, or OSHA, and comparable state laws that regulate the protection of the health and safety of employees. In addition, OSHA's hazard communication standard, the Emergency Planning and Community Right to Know Act and implementing regulations and similar state statutes and regulations require that information be maintained about hazardous materials used or produced in our operations and that this information be provided to employees, state and local government authorities and citizens. We believe that our operations are in substantial compliance with the applicable worker health and safety requirements.

Endangered Species Act

The federal Endangered Species Act, or 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 may conduct operations on natural gas and oil leases in areas where certain species that are listed as threatened or endangered are known to exist

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and where other species, such as the sage grouse, that potentially could be listed as threatened or endangered under the ESA may 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. Moreover, as a result of a settlement approved by the U.S. District Court for the District of Columbia in September 2011, the U.S. Fish and Wildlife Service is required to make a determination on listing of more than 250 species as endangered or threatened under the ESA by no later than completion of the agency's 2017 fiscal year. The designation of previously unprotected species as threatened or endangered in areas where underlying property operations are conducted could cause us to incur increased costs arising from species protection measures or could result in limitations on our exploration and production activities that could have an adverse impact on our ability to develop and produce reserves. 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 2012, nor do we anticipate that such expenditures will be material in 2013.

Employees

As of June 30, 2013, we had 184 full-time employees, including 14 in executive, finance, treasury and administration, 18 in geology, 56 in production and engineering, 22 in accounting, 60 in land, and 14 in midstream. We also employed approximately 163 contract personnel who assist our full-time employees with specific tasks. 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.

Legal Proceedings

We are party to various legal proceedings and claims in the ordinary course of our business. We believe certain of these matters will be covered by insurance and that the outcome of other matters will not have a material adverse effect on our consolidated financial position, results of operations or liquidity.

In March 2011, we received orders for compliance from federal regulatory agencies, including the EPA, relating to certain of our activities in West Virginia. The orders allege that certain of our operations at several well sites are in non-compliance with certain environmental regulations, such as unpermitted discharges of fill material into wetlands or waters of the United States that are potentially in violation of the Clean Water Act. We have responded to all pending orders and are actively cooperating with the relevant agencies. No fine or penalty relating to these matters has been proposed at this time, but we believe that these actions will result in monetary sanctions exceeding \$100,000. In addition, we expect to incur additional costs to remediate these well locations in order to bring them into compliance with applicable environmental laws and regulations. We have not, however, been required to suspend our operations at these locations to date and our management team does not expect these matters to have a material adverse effect on our financial condition, results of operations or cash flows.

MANAGEMENT

Directors and Executive Officers

The following table sets forth names, ages and titles of our directors, director nominees and executive officers as of June 30, 2013.

<u>Name</u>	<u>Age</u>	<u>Title</u>
Peter R. Kagan	45	Director
W. Howard Keenan, Jr.	62	Director
Christopher R. Manning	45	Director
Richard W. Connor	64	Director
Robert J. Clark	68	Director Nominee
Benjamin A. Hardesty	63	Director Nominee
James R. Levy	37	Director Nominee
Paul M. Rady	59	Chairman of the Board of Directors and Chief Executive Officer
Glen C. Warren, Jr.	57	Director, President, Chief Financial Officer and Secretary
Kevin J. Kilstrom	58	Vice President—Production
Alvyn A. Schopp	55	Chief Administrative Officer and Regional Vice President
Ward D. McNeilly	62	Vice President—Reserves, Planning and Midstream

Set forth below is the description of the backgrounds of our directors and executive officers.

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

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

W. Howard Keenan, Jr. has served as a director 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 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 B.A. degree cum laude from Harvard College and an M.B.A. degree from Harvard University.

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

Christopher R. Manning has served as a director since 2005. Mr. Manning has been a Partner with Trilantic Capital Partners since May 2009, and is currently a member of the Executive Committee. His primary focus is on investments in the energy sector. Mr. Manning joined Lehman Brothers Merchant Banking in 2000 and was concurrently the Head of Lehman Brothers' Investment Management Division, including both the Asset Management and Private Equity businesses, in Asia-Pacific from

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2006 to 2008. He was also a member of the Global Investment Management Division Executive Committee and the Private Equity Division Operating Committee. Prior to Lehman Brothers, 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 currently serves on the boards of Enduring Resources, the Cross Group, Templar Energy, Trail Ridge Energy Partners II, VantaCore Partners, and Velvet Energy. Mr. Manning 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.

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

Richard W. Connor has served as a director and chairman of our audit committee since September 1, 2013. Prior to his retirement in September 2009, Mr. Connor was an audit partner with KPMG LLP, or KPMG, where he principally served publicly traded clients in the energy, mining, telecommunications, and media industries for 38 years. Mr. Connor was elected to the partnership in 1980 and was appointed to KPMG's SEC Reviewing Partners Committee in 1987 where he served until his retirement. From 1996 to September 2008, he served as the Managing Partner of KPMG's Denver office. Mr. Connor earned his B.S. degree in accounting from the University of Colorado. Mr. Connor is a member of the Board of Directors of Zayo Group LLC, a provider of bandwidth infrastructure and colocation services, with two series of senior notes registered with the SEC. Mr. Connor is also a director of Centerra Gold, Inc. (TSX: CG.T), a Toronto-based gold mining company listed on the Toronto Stock Exchange.

Mr. Connor has experience in technical accounting and auditing matters, knowledge of SEC filing requirements and experience with a variety of energy clients. We believe his background and skill set make Mr. Connor well-suited to serve as a member of our board of directors and as chairman of our audit committee.

Robert J. Clark will become a member of our board of directors and a member of our audit and compensation committees in connection with the closing of this offering. Mr. Clark has been Chairman and Chief Executive Officer of 3 Bear Energy, LLC, a midstream energy company with operations in the Rocky Mountains, since its formation in March 2013. Prior to the formation of 3 Bear Energy LLC, Mr. Clark formed, operated and subsequently sold Bear Tracker Energy in February 2013 (to Summit Midstream Partners, LP), a portion of Bear Cub Energy in April 2007 (to Regency Energy Partners, L.P.) and the remaining portion in December 2008 (to GeoPetro Resources Company) and Bear Paw Energy in 2001 (to ONEOK Partners, L.P., formerly Northern Border Partners, L.P.). Mr. Clark was President of SOCO Gas Systems, Inc. and Vice President-Gas Management for Snyder Oil Corporation from 1988 to 1995. Mr. Clark served as Vice President Gas-Gathering, Processing and Marketing of Ladd Petroleum Corporation, an affiliate of General Electric, from 1985 to 1988. Prior to 1985, Mr. Clark held various management positions with NICOR, Inc. Mr. Clark received his Bachelor of Science degree from Bradley University and his Master's Degree in Business Administration from Northern Illinois University. Mr. Clark is a member of the board of trustees of Bradley University and serves on the board of trustees of Children's Hospital Colorado Foundation.

Mr. Clark has significant experience with energy companies, with over 45 years of experience in the industry. We believe his background and skill set make Mr. Clark well-suited to serve as a member of our board of directors.

Benjamin A. Hardesty will become a member of our board of directors and member of our compensation and nominating and governance committees in connection with the closing of this offering. Mr. Hardesty has been the owner of Alta Energy LLC, a consulting business focused on oil and natural gas in the Appalachian Basin and onshore United States, since May 2010. In May 2010,

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Mr. Hardesty retired as president of Dominion E&P, Inc., a subsidiary of Dominion Resources Inc. (NYSE: D) engaged in the exploration and production of natural gas in North America, a position he had held since September 2007. Mr. Hardesty joined Dominion in 1995 and served as president of Dominion Appalachian Development, Inc. until 2000 and general manager and vice president—Northeast Gas Basins until 2007. Mr. Hardesty was a member of the board of directors of Blue Dot Energy Services LLC from 2011 until its recent sale to B/E Aerospace. From 1982 to 1995, Mr. Hardesty was president and a member of the board of directors of Stonewall Gas Company and from 1978 to 1982, he served as vice president—operations of Development Drilling Corp. Mr. Hardesty received his Bachelor of Science degree from West Virginia University and his Master of Science—Management degree from The George Washington University. Mr. Hardesty served as an active duty officer in the U.S. Army Security Agency. Mr. Hardesty is a director emeritus and past president of the West Virginia Oil & Natural Gas Association and past president of the Independent Oil & Gas Association of West Virginia. Additionally, Mr. Hardesty is a trustee and past chairman of the Nature Conservancy of West Virginia and a member of the board of directors of the West Virginia Chamber of Commerce. Mr. Hardesty serves as a member of the Visiting Committee of the West Virginia University School of Petroleum and Natural Gas Engineering.

Mr. Hardesty has significant experience in the natural gas industry, including in our areas of operation. We believe his background and skill set make Mr. Hardesty well suited to serve as a member of our board of directors.

James R. Levy will become a member of our board of directors and member of our audit and compensation committees in connection with the closing of this offering. Mr. Levy joined Warburg Pincus in 2006 and focuses on investments in the energy industry. Mr. Levy is a Partner of Warburg Pincus & Co. and a Managing Director of Warburg Pincus LLC. Prior to joining Warburg Pincus, Mr. Levy worked as a private equity investor at Kohlberg & Company and in M&A advisory at Wasserstein Perella & Co. Mr. Levy currently serves on the board of directors of Black Swan Energy, Brigham Resources and Brigham Minerals, EnStorage, Hawkwood Energy, Laredo Petroleum Holdings and Suniva. He is a former director of Broad Oak Energy. Mr. Levy received a Bachelor of Arts degree from Yale University.

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

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.

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

Glen C. Warren, Jr. has served as President, 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

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

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 2006 and as a Business Unit Manager for Marathon's Powder River coal bed methane assets from 2001 to 2003. Mr. Kilstrom also served as a member of the board of directors of three Marathon subsidiaries from October 2003 through May 2005. Mr. Kilstrom was an Operations Manager and reserve engineer at Pennaco Energy from 1999 to 2001. Mr. Kilstrom was at Amoco for more than 22 years prior to 1999. Mr. Kilstrom holds a B.S. in Engineering from Iowa State University and an M.B.A. from DePaul University.

Alwyn A. Schopp has served as Chief Administrative Officer and Regional Vice President since September 20, 2013. Mr. Schopp also served as Vice President of Accounting and Administration and Treasurer from January 2005 to September 20, 2013, 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 LLP, most recently as a Senior Manager. Mr. Schopp holds a B.B.A. from Drake University.

Ward D. McNeilly serves as Vice President of Reserves, Planning & Midstream, and has been with the Company since October 2010. Mr. McNeilly has 34 years of experience in oil and gas asset management, operations, and reservoir management. From 2007 to October 2010, Mr. McNeilly was BHP Billiton's Gulf of Mexico Operations Manager. From 1996 through 2007, Mr. McNeilly served in various North Sea and Gulf of Mexico Deepwater operations and asset management positions with Amoco and then BP. Mr. McNeilly served in a number of different domestic and international positions with Amoco from 1979 to 1996. Mr. McNeilly holds a B.S. in Geological Engineering from the Mackay School of Mines at the University of Nevada.

Board of Directors

Our board of directors currently consists of six members, Messrs. Kagan, Keenan, Manning, Connor, Rady and Warren. As described in "Corporate Reorganization—Limited Liability Company Agreement of Antero Investment," the board of directors of Antero Investment is expected to consist of those same individuals following the completion of this offering, with the exception of Mr. Connor. The limited liability company agreement that Antero Investment is expected to adopt will provide that Antero Investment and its members will cooperate to ensure their nomination to, and vote our shares of common stock in favor of their election to, our board of directors. We expect that Messrs. Clark, Hardesty and Levy will become members of our board of directors in connection with the closing of

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this offering. We anticipate that our board will determine that each of Messrs. Kagan, Keenan, Manning, Connor, Clark, Hardesty and Levy are independent under the independence standards of the NYSE.

In evaluating director candidates, we will assess whether a candidate possesses the integrity, judgment, knowledge, experience, skills and expertise that are likely to enhance the board's ability to manage and direct our affairs and business, including, when applicable, to enhance the ability of the committees of the board to fulfill their duties. We currently are in the process of identifying individuals who meet these standards and the relevant independence requirements. Our directors hold office until the earlier of their death, resignation, retirement, disqualification or removal or until their successors have been duly elected and qualified.

In connection with the completion of this offering, our directors will be divided into three classes serving staggered three-year terms. Class I, Class II and Class III directors will serve until our annual meetings of stockholders in 2014, 2015 and 2016, respectively. We anticipate that Messrs. Rady, Warren and Levy will be assigned to Class I, Messrs. Kagan, Keenan and Manning will be assigned to Class II and Messrs. Clark, Hardesty and Connor will be assigned to Class III. At each annual meeting of stockholders held after the initial classification, directors will be elected to succeed the class of directors whose terms have expired. This classification of our board of directors could have the effect of increasing the length of time necessary to change the composition of a majority of the board of directors. In general, at least two annual meetings of stockholders will be necessary for stockholders to effect a change in a majority of the members of the board of directors.

Status as a Controlled Company

Because Antero Investment will own a majority of our outstanding common stock following the completion of this offering, we expect to be a controlled company under NYSE corporate governance standards. A controlled company need not comply with NYSE corporate governance rules that require its board of directors to have a majority of independent directors and independent compensation and nominating and governance committees. Notwithstanding our status as a controlled company, we will remain subject to the NYSE corporate governance standard that requires us to have an audit committee composed entirely of independent directors. As a result, we must have at least one independent director on our audit committee by the date our common stock is listed on the NYSE, at least two independent directors within 90 days of the listing date and at least three independent directors within one year of the listing date.

While these exemptions will apply to us as long as we remain a controlled company, we expect that our board of directors will nonetheless consist of a majority of independent directors within the meaning of the NYSE listing standards currently in effect.

Committees of the Board of Directors

Upon the conclusion of this offering, we intend to have an audit committee, a compensation committee and a nominating and governance committee of our board of directors, and may have such other committees as the board of directors shall determine from time to time. We anticipate that each of the standing committees of the board of directors will have the composition and responsibilities described below.

Audit Committee

We will establish an audit committee prior to the completion of this offering. Rules implemented by the NYSE and SEC require us to have an audit committee comprised of at least three directors who meet the independence and experience standards established by the NYSE and the Exchange Act, subject to transitional relief during the one-year period following the completion of this offering.

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Mr. Connor has served as chairman of the audit committee since September 1, 2013. We expect that Messrs. Clark and Levy will be appointed to the audit committee in connection with the closing of this offering. As required by the rules of the SEC and listing standards of the NYSE, the audit committee will consist solely of independent directors, subject to transitional relief. SEC rules also require that a public company disclose whether or not its audit committee has an "audit committee financial expert" as a member. An "audit committee financial expert" is defined as a person who, based on his or her experience, possesses the attributes outlined in such rules. Our board of directors believes that Mr. Connor possesses substantial financial experience based on his extensive experience in technical accounting and auditing matters as a former audit partner of KPMG, LLP. As a result of these qualifications, we believe Mr. Connor satisfies the definition of "audit committee financial expert."

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

Compensation Committee

Because we will be a controlled company within the meaning of the NYSE corporate governance standards, we will not be required to have a compensation committee composed entirely of independent directors. However, we nevertheless expect that we will have a compensation committee following the completion of this offering.

This committee will establish salaries, incentives and other forms of compensation for executive officers. Our compensation committee will also administer our incentive compensation and benefit plans. We expect to adopt a compensation committee charter defining the committee's primary duties in a manner consistent with the rules of the SEC and NYSE. We expect that Messrs. Clark, Hardesty, Manning and Levy will be appointed to the compensation committee in connection with the closing of this offering.

Nominating and Governance Committee

Because we will be a controlled company within the meaning of the NYSE corporate governance standards, we will not be required to have a nominating and governance committee or, in the event we choose to establish one, a committee composed entirely of independent directors. However, we nevertheless expect that we will have a nominating and governance committee following the completion of this offering. This committee will identify, evaluate and recommend qualified nominees to serve on our board of directors, develop and oversee our internal corporate governance processes and direct all matters relating to the succession of our CEO. We expect to adopt a nominating and governance committee charter defining the committee's primary duties in a manner consistent with the rules of the SEC and NYSE. We expect that Messrs. Hardesty, Kagan, Connor and Keenan will be appointed to the nominating and governance committee in connection with the closing of this offering.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serve on the board of directors or compensation committee of a company that has an executive officer that serves on our board or compensation committee. No member of our board is an executive officer of a company in which one of our executive officers serves as a member of the board of directors or compensation committee of that company.

Code of Business Conduct and Ethics

Prior to the completion of this offering, our board of directors will adopt a code of business conduct and ethics, which will set forth statements of behavior expected of employees, directors and officers, in accordance with the corporate governance rules of the NYSE. Any waiver of this code may be made only by our board of directors or a committee thereof and will be promptly disclosed if and as required by applicable U.S. federal securities laws and the corporate governance rules of the NYSE.

Financial Code of Ethics for Senior Financial Officers

Prior to the completion of this offering, our board of directors will adopt a financial code of ethics for our Chief Executive Officer, Chief Financial Officer (or other principal financial officer), Corporate Controller (or other principal accounting officer) and other senior financial officers in accordance with applicable U.S. federal securities laws and the corporate governance rules of the NYSE. Any change to, or waiver from, this code may be made only by our board of directors or a committee thereof and will be promptly disclosed if and as required by applicable U.S. federal securities laws and the corporate governance rules of the NYSE. Among other matters, the financial code of ethics requires each of these officers to:

- act ethically with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal and professional relations;
- avoid conflicts of interest and disclose any material transactions or relationships that reasonably could be expected to give rise to a conflict of interest;
- work to ensure that we fully, fairly and accurately disclose information in a timely and understandable manner in all reports and documents that we file with the SEC and in other public communications made by us;
- comply with applicable governmental laws, rules and regulations; and
- report any violations of the financial code of ethics to the chairman of our audit committee.

Corporate Governance Guidelines

Prior to the completion of this offering, our board of directors will adopt corporate governance guidelines in accordance with the corporate governance rules of the NYSE.

EXECUTIVE COMPENSATION**Named Executive Officers**

For fiscal year 2012, our Named Executive Officers were:

<u>Name</u>	<u>Principal Position</u>
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
Alvyn A. Schopp	Chief Administrative Officer and Regional Vice President

Prior to the closing of this offering, the Compensation Committee of Antero Resources LLC's Board of Directors approved all compensation decisions for our Named Executive Officers. We refer to such Compensation Committee herein as the LLC Compensation Committee.

Summary Compensation Table

The following table summarizes, with respect to our Named Executive Officers, information relating to the compensation earned for services rendered in all capacities during the fiscal years ended December 31, 2012 and 2011.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus(1) (\$)</u>	<u>Total (\$)</u>
Paul M. Rady <i>(Chairman of the Board of Directors and Chief Executive Officer)</i>	2012	\$ 516,156	\$ 1,000,000	\$ 1,516,156
	2011	\$ 475,000	\$ 800,000	\$ 1,275,000
Glen C. Warren, Jr. <i>(Director, President, Chief Financial Officer and Secretary)</i>	2012	\$ 426,156	\$ 825,000	\$ 1,251,156
	2011	\$ 395,000	\$ 625,000	\$ 1,020,000
Kevin J. Kilstrom <i>(Vice President—Production)</i>	2012	\$ 311,156	\$ 400,000	\$ 711,156
	2011	\$ 290,000	\$ 300,000	\$ 590,000
Alvyn A. Schopp <i>Chief Administrative Officer and Regional Vice President</i>	2012	\$ 311,156	\$ 400,000	\$ 711,156
	2011	\$ 290,000	\$ 300,000	\$ 590,000

- (1) Bonus compensation for fiscal 2011 and fiscal 2012 represents the aggregate amount of the annual discretionary cash bonuses paid to each Named Executive Officer.

Salary and Cash Incentive Awards in Proportion to Total Compensation

We paid 100% of each Named Executive Officer's total compensation for fiscal 2012 in the form of base salary and discretionary annual cash bonuses. Such bonuses were determined in the discretion of the LLC Compensation Committee without regard to any objective performance metrics.

Outstanding Equity Awards at 2012 Fiscal Year-End

None of the Named Executive Officers held any options or unvested stock awards as of December 31, 2012.

Employment, Severance or Change in Control Agreements

We do not maintain any employment, severance or change in control agreements with any of our Named Executive Officers. In addition, none of the Named Executive Officers are entitled to any payments or other benefits in connection with a termination of their employment or a change in control.

Long-Term Incentive Plan

Prior to the completion of this offering, our board of directors will have adopted, and our stockholders will have approved, a Long-Term Incentive Plan, or LTIP, to attract and retain employees and directors. The description of the LTIP set forth below is a summary of the material features of the LTIP. This summary, however, does not purport to be a complete description of all of the provisions of the LTIP and is qualified in its entirety by reference to the LTIP, a copy of which is filed as an exhibit to this registration statement. The LTIP provides for the grant of equity-based awards, including options to purchase shares of our common stock, stock appreciation rights, restricted stock, restricted stock units, bonus stock, dividend equivalents, other stock-based awards and performance awards.

Share Limits. Subject to adjustment in accordance with the LTIP, _____ shares of our common stock will initially be reserved for issuance pursuant to awards under the LTIP. However, no more than _____ shares of our common stock in the aggregate may be issued pursuant to incentive stock options (which generally are stock options that meet the requirements of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code")). The maximum number of shares of our common stock that may be subject to one or more awards granted to any one participant during any 12-month period that are intended to qualify as "performance-based compensation" under Section 162(m) of the Code shall be _____ shares with respect to stock options and stock appreciation rights and _____ shares with respect to any other awards. Further, the maximum aggregate amount that may be paid in cash to any one participant in any calendar year with respect to one or more awards payable in cash that are intended to qualify as "performance-based compensation" under Section 162(m) of the Code shall be \$ _____. The maximum aggregate grant date fair value of awards granted to a non-employee director during any calendar year shall be \$ _____ (or \$ _____ in the first year in which an individual becomes a non-employee director). Common stock subject to an award that expires or is canceled, forfeited, exchanged, settled in cash or otherwise terminated and shares withheld to pay the exercise price of, or to satisfy the withholding obligations with respect to, an award will again be available for delivery in connection with awards under the LTIP.

Administration. The LTIP will be administered by the compensation committee of our board of directors, which is referred to herein as the "committee," except in the event our board of directors chooses to administer the LTIP. Unless otherwise determined by our board of directors, the committee will be comprised of two or more individuals, each of whom qualifies as an "outside director" as defined in Section 162(m) of the Code and a "nonemployee director" as defined in Rule 16b-3 under the Exchange Act. Subject to the terms and conditions of the LTIP, the committee has broad discretion to administer the LTIP, including the power to determine the employees and directors to whom awards will be granted, to determine the type of awards to be granted and the number of shares to be subject to awards and the terms and conditions of awards, to determine and interpret the terms and provisions of each award agreement, to accelerate the vesting or exercise of any award and to make all other determinations and to take all other actions necessary or advisable for the administration of the LTIP.

Eligibility. The committee will determine the employees and members of our board of directors who are eligible to receive awards under the LTIP.

Stock Options. The committee may grant incentive stock options and options that do not qualify as incentive stock options, except that incentive stock options may only be granted to persons who are our employees or employees of one of our subsidiaries, in accordance with Section 422 of the Code.

Except as provided below, the exercise price of a stock option cannot be less than 100% of the fair market value of a share of our common stock on the date on which the option is granted and the option must not be exercisable more than ten years from the date of grant. In the case of an incentive stock option granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock, the exercise price of the stock option must be at least 110% of the fair market value of a share of our common stock on the date of grant and the option must not be exercisable more than five years from the date of grant.

Stock Appreciation Rights. Stock Appreciation Rights, or SARs, may be granted in connection with, or independent of, a stock option. A SAR is the right to receive an amount equal to the excess of the fair market value of one share of our common stock on the date of exercise over the grant price of the SAR. SARs will be exercisable on such terms as committee determines. The term of a SAR will be for a period determined by the committee but will not exceed ten years. SARs may be paid in cash, common stock or a combination of cash and common stock, as determined by the committee in the relevant award agreement.

Restricted Stock. Restricted stock is a grant of shares of common stock subject to a substantial risk of forfeiture, restrictions on transferability and any other restrictions determined by the committee. Except as otherwise provided in an award agreement, restricted stock will be forfeited and reacquired by us upon termination of a participant's employment or service relationship. Common stock distributed in connection with a stock split or stock dividend, and other property distributed as a dividend, may be subject to the same restrictions and risk of forfeiture as the restricted stock with respect to which the distribution was made.

Restricted Stock Units. Restricted stock units are rights to receive cash, common stock or a combination of cash and common stock at the end of a specified period. Restricted stock units may be subject to restrictions, including a risk of forfeiture, as determined by the committee. Unless otherwise determined by the committee, restricted stock units will be forfeited upon the termination of a participant's employment or service relationship. The committee may, in its sole discretion, grant dividend equivalents with respect to restricted stock units.

Other Awards. Subject to limitations under applicable law and the terms of the LTIP, the committee may grant other awards related to our common stock. Such awards may include, without limitation, common stock awarded as a bonus, dividend equivalents, convertible or exchangeable debt securities, other rights convertible or exchangeable into common stock, purchase rights for common stock, awards with value and payment contingent upon our performance or any other factors designated by the committee, and awards valued by reference to the book value of our common stock or the value of securities of, or the performance of, specified subsidiaries. The committee will determine the terms and conditions of all such awards. Cash awards may be granted as an element of, or a supplement to, any awards permitted under the LTIP. Awards may also be granted in lieu of obligations to pay cash or deliver other property under the LTIP or under other plans or compensatory arrangements, subject to any applicable provision under Section 16 of the Exchange Act.

Performance Awards. The LTIP will also permit the committee to designate certain awards as performance awards. Performance awards represent awards with respect to which a participant's right to receive cash, shares of our common stock, or a combination of both, is contingent upon the attainment of one or more specified performance measures within a specified period. The committee will determine the applicable performance period, the performance goals and such other conditions that apply to each performance award.

Change in Control. Subject to the terms of the applicable award agreement, upon a "change in control" (as defined in the LTIP), the committee may, in its discretion, (i) accelerate the time of exercisability of an award, (ii) require awards to be surrendered in exchange for a cash payment or

(iii) make other adjustments to awards as the committee deems appropriate to reflect the applicable transaction or event.

Amendment and Termination. The LTIP will automatically expire on the tenth anniversary of its effective date. Our board of directors may amend or terminate the LTIP at any time, subject to any requirement of stockholder approval required by applicable law, rule or regulation. The committee may generally amend the terms of any outstanding award under the LTIP at any time. However, no action may be taken by our board of directors or the committee under the LTIP that would materially and adversely affect the rights of a participant under a previously granted award without the participant's consent.

Compensation of Directors

General

We did not award any compensation to our non-employee directors during 2012.

In May 2013, our board of directors requested information from Frederic W. Cook & Co., Inc., or FWC, regarding the compensation provided to non-executive directors at our peer companies. Based on the information provided by FWC, the board of directors approved a non-employee director compensation program. Our non-employee directors are entitled to receive compensation for services they provide to us consisting of retainers, fees and equity compensation as described below effective as of July 19, 2013. Going forward, it is expected that the compensation committee will review and approve non-employee director compensation.

Our employee directors, Messrs. Rady and Warren, do not receive additional compensation for their services as directors. All compensation that Messrs. Rady and Warren received for their services to us during 2012 as employees has been disclosed in the Summary Compensation Table above.

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

Retainer and Fees; Equity-Based Compensation

Each non-employee director receives the following compensation:

- an annual retainer fee of \$60,000 per year, plus an additional \$5,000 for the lead director of our board of directors in the event he or she is not a committee chairperson;
- an additional retainer of \$7,500 per year for each member of the audit committee, plus an additional \$12,500 per year for its chairperson;
- an additional retainer of \$5,000 per year for each member of the compensation committee, plus an additional \$10,000 per year for its chairperson; and
- an additional retainer of \$5,000 per year for each member of the nominating and governance committee, plus an additional \$5,000 per year for its chairperson.

All retainers are paid in cash on a quarterly basis in arrears, but, following this offering, directors will have the option to elect on an annual basis to defer all or a portion of their retainers pursuant to a deferred compensation plan to be established for directors. Directors receive no meeting fees, but each director will be reimbursed for: (1) travel and miscellaneous expenses to attend meetings and activities of the board of directors or its committees and (2) travel and miscellaneous expenses related to his or her participation in general education and orientation programs for directors.

In addition to cash compensation, our non-employee directors receive annual equity-based compensation consisting of stock options with an aggregate exercise price equal to \$80,000 and restricted stock with an aggregate grant date value equal to \$80,000, in each case, subject to the terms and conditions of our LTIP and the award agreements pursuant to which such awards are granted.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Corporate Reorganization

In connection with our corporate reorganization, we will engage in transactions with certain affiliates and our existing equity holders, including the contribution of our midstream business to Antero Midstream. See "Corporate Reorganization" for a description of these transactions.

Historical Transactions with Affiliates

Antero Resources LLC was formed in connection with our November 2009 corporate reorganization. The limited liability company agreement of Antero Resources LLC provides for a number of different classes of units, which are owned by its equity investors and employees. Certain of the units are subject to rights of first refusal held by Antero Resources LLC 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 Resources LLC, 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.

Concurrent with the closing of the November 2009 corporate reorganization, Antero Resources LLC issued profits interests to Antero Resources Employee Holdings LLC, a 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 Holdings LLC issued similar profits interests to certain of our officers and employees.

Registration Rights Agreement

In connection with the closing of this offering, we will enter into a registration rights agreement, or the Registration Rights Agreement, with the owners of the membership interests of Antero Investment, including certain members of our management and the Sponsors. Pursuant to the Registration Rights Agreement, we have agreed to register the sale of shares of our common stock under certain circumstances.

Demand Registration Rights. At any time after the closing of this offering, the Sponsors and certain other investors, which we collectively refer to as the Investor Members, have the right to require us by written notice to register the sale of a number of their shares of common stock in an underwritten offering. We are required to provide notice of the request within 10 days following the receipt of such demand request to all additional holders of our common stock, who may, in certain circumstances, participate in the registration. The Investor Members have the right to cause up to an aggregate of two such demand registrations (and up to four additional demand registrations that constitute "shelf registrations" as such term is defined in the Registration Rights Agreement). In no event shall more than one demand registration occur during any six-month period or within 180 days (with respect to this offering) or 90 days (with respect to any public offering other than this offering) after the effective date of a final prospectus we file. Further, we are not obligated to effect any demand registration in which the anticipated aggregate offering price included in such offering is less than \$50,000,000. Once we are eligible to effect a registration on Form S-3, any such demand registration may be for a shelf registration statement. We will be required to maintain the effectiveness of any such registration statement until the earlier of 180 days (or two years if a "shelf registration" is requested) after the effective date and the consummation of the distribution by the participating holders.

Piggy-back Registration Rights. If, at any time, we propose to register an offering of common stock (subject to certain exceptions) for our own account, then we must give at least fifteen days' notice to all holders of registrable securities to allow them to include a specified number of their shares in that registration statement.

Conditions and Limitations; Expenses. These registration rights are subject to certain conditions and limitations, including the right of the underwriters to limit the number of shares to be included in a registration and our right to delay or withdraw a registration statement under certain circumstances. We will generally pay all registration expenses in connection with our obligations under the Registration Rights Agreement, regardless of whether a registration statement is filed or becomes effective. The obligations to register shares under the Registration Rights Agreement will terminate on the earlier of (i) ten years following the closing of this offering and (ii) when no registrable common stock remains outstanding. Registrable common stock means all common stock other than shares (i) sold pursuant to an effective registration statement under the Securities Act, (ii) sold in a transaction exempt from registration under the Securities Act (including transactions pursuant to Rule 144), (iii) that have ceased to be outstanding, (iv) sold in a private transaction in which the transferor's rights under the Registration Rights Agreement are not assigned to the transferee of the stock or (v) that have become eligible for resale pursuant to Rule 144(b) (or any similar rule then in effect under the Securities Act).

Antero Midstream

As described in "Corporate Reorganization," we intend to enter into a contribution agreement with Antero Midstream in connection with the completion of this offering, pursuant to which we will contribute our midstream business to Antero Midstream, a newly formed limited liability company, following the completion of this offering. We will own 100% of the economic interests and initially control Antero Midstream, but Antero Investment, which includes members of our management and our Sponsors, will own a special membership interest in Antero Midstream.

In connection with the contribution of our midstream business to Antero Midstream, we will enter into operational agreements with Antero Midstream to govern the business relationship between us and Antero Midstream. While these agreements have not been negotiated on an arms' length basis as a result of our existing relationship, we believe the terms set forth therein are comparable to agreements that had been negotiated on an arms' length basis between unrelated parties.

Special Membership Interest

Following the completion of this offering, Antero Investment will own a special membership interest in Antero Midstream through its wholly owned subsidiary, Antero Resources Midstream Management LLC, or Midstream Management. Initially, this special membership interest will not have any management or economic rights other than giving Antero Investment the right to cause an initial public offering of Antero Midstream through a MLP or similar structure. The decision whether to cause an initial public offering of Antero Midstream will be in the sole discretion of the board of directors of Antero Investment, which will consist of affiliates of the Sponsors as well as members of our management. Following the completion of an initial public offering of Antero Midstream, the special membership interest will automatically convert into a general partner interest and incentive distribution rights in the newly converted MLP described below. At such time, the management of Antero Midstream will be controlled by Antero Investment. See "—Capitalization of Potential Midstream MLP."

Prior to any initial public offering of Antero Midstream, we are restricted from selling, transferring or otherwise disposing of any interest in Antero Midstream or any midstream assets without the prior written consent of Antero Investment. In addition, Antero Midstream will not be permitted to amend or modify any agreement with us without the consent of Antero Investment.

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The form of limited liability company agreement of Antero Midstream has been filed as an exhibit to the registration statement of which this prospectus forms a part, and the foregoing description of the limited liability company agreement and the special membership interest is qualified in its entirety by reference thereto.

Capitalization of Potential Midstream MLP

In connection with an initial public offering of Antero Midstream, Antero Investment will have the right to cause Antero Midstream to convert into a MLP. Typically, a MLP distributes to its unitholders all available cash it generates each quarter, which generally equals cash flow from operations for the quarter, less cash needed for maintenance capital expenditures, debt service and other contractual obligations, and reserves for future operating or capital needs that the board of directors of the general partner deems necessary or appropriate. A MLP typically adopts a cash distribution policy that requires it to distribute per unit a specified amount or greater, subject to the sufficiency of its available cash. This specified amount is referred to as the "minimum quarterly distribution."

A MLP's capital structure typically consists of common units, subordinated units, a general partner interest and incentive distributions rights. Common units and subordinated units represent limited partner interests in the MLP and have limited voting and control rights. The principal difference between common and subordinated units is that in any quarter during the subordination period, holders of the subordinated units are not entitled to receive any distributions until the common units have received the minimum quarterly distribution plus any arrearages in the payment of the minimum quarterly distribution from prior quarters. Subordinated units generally do not accrue arrearages.

A non-economic general partner interest allows a general partner to manage the MLP's business and affairs, but does not entitle it to receive cash distributions on its general partner interest. Incentive distribution rights represent the right to receive an increasing percentage of quarterly distributions of available cash in excess of the minimum quarterly distribution when certain target distribution levels have been achieved. These target distribution levels are typically set at 115%, 125% and 150% of the minimum quarterly distribution. Following the completion of an initial public offering of Antero Midstream, the special membership interest held by Antero Investment will automatically convert into a non-economic general partner interest and incentive distribution rights in the newly converted MLP. At such time, Antero Midstream will be controlled by Antero Investment.

The limited liability company agreement of Antero Midstream provides that upon any conversion of Antero Midstream into a limited partnership in connection with an initial public offering, the limited partnership agreement and capital structure of the MLP will be on terms customary for similar MLPs, including the following:

- common units representing 50% of the limited partner interests in the MLP and subordinated units representing 50% of the limited partner interests in the MLP, all of which will initially be owned by us;
- a customary subordination period;
- a general partner interest in the MLP, which will be owned by Antero Investment;
- a minimum quarterly distribution to be set based on a customary coverage ratio for MLPs in the same line of business as Antero Midstream; and

- incentive distribution rights, which will be owned by Antero Investment, with customary splits for cash distributions:

	Marginal Percentage Interest in Distributions	
	Unitholders	Incentive Distribution Rights
Minimum Quarterly Distribution	100.0%	—
First Target Distribution	100.0%	—
Second Target Distribution	85.0%	15.0%
Third Target Distribution	75.0%	25.0%
Thereafter	50.0%	50.0%

Right of First Offer Agreement (Processing Fractionation, Transportation and Marketing Services)

Following the closing of this offering, we intend to enter into a right of first offer agreement with Antero Midstream. Pursuant to the right of first offer agreement, subject to certain limited exceptions, we will agree not to procure any gas processing or NGL fractionation, transportation, or marketing services for any of our production, including by acquiring and operating an existing facility for the provision of such services, unless we provide Antero Midstream a right of first offer to provide those services to us and to acquire from us such facility, if applicable. Our request for offer will describe the production that will be dedicated under the resulting agreement and the capacities of the facilities we desire and, if applicable, details of the facility we have acquired or propose to acquire. We are permitted concurrently to seek offers from third parties for the same services on the same terms and conditions, but Antero Midstream has a right to match the fees offered by any third party. We will only be permitted to obtain these services from third parties if Antero Midstream either does not make an offer or does not match a competing third-party offer. The process could result in our obtaining certain of the required services from Antero Midstream (for example, gas processing) and certain of such services (for example, NGL fractionation and related services) from a third party. Antero Midstream's right of first offer does not apply to production that is subject to a pre-existing dedication. The right of first offer agreement has a 20-year term.

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

If pursuant to the foregoing procedures we enter into a gas processing agreement with Antero Midstream, Antero Midstream will agree to construct or cause to be constructed a processing plant to process the dedicated natural gas, except to the extent rendered unnecessary if we are transferring an acquired facility to Antero Midstream. If we require additional capacity in the future at the plant at which Antero Midstream is providing the services, Antero Midstream will have the option to provide such additional capacity on the same terms and conditions. In the event that Antero Midstream does not exercise this option, we will be entitled to obtain proposals from third parties to process such production.

Gas Gathering and Compression Agreement

Following the closing of this offering, we intend to enter into a 20-year gas gathering and compression agreement with Antero Midstream. Pursuant to the gas gathering and compression agreement, we will dedicate to Antero Midstream all of our current and future natural gas production in West Virginia, Ohio and Pennsylvania, so long as such production is not otherwise subject to a pre-existing dedication to third-party low- or high-pressure gathering systems. Production subject to a pre-existing dedication will be dedicated to Antero Midstream at the expiration of such pre-existing dedication. In addition, if we acquire any gathering facilities, we are required to offer such gathering facilities to Antero Midstream at our cost.

Antero Midstream will receive volumetric fees for low-pressure gathering, high-pressure gathering and compression subject to price adjustments based on the CPI. For compression and high-pressure gathering services, we will be required to pay compression and gathering fees on certain minimum volumes. In the event that Antero Midstream does not exercise this option, we will be entitled to obtain proposals for gathering and compression services from third parties. Midstream will then have the right to match any proposal we receive from a third party. If Midstream does not do so we will be entitled to obtain gathering and compression services from such third party on the proposed terms and dedicate production from limited areas to such third party.

If we produce natural gas outside of West Virginia, Ohio and Pennsylvania, Antero Midstream will have the option to gather and compress such natural gas on the same terms and conditions. In the event that Antero Midstream does not exercise this option, we will be entitled to obtain gathering and compression services and dedicate production from limited areas to such third-party agreements from third parties.

In return for this dedication, Antero Midstream will agree to gather, compress, dehydrate and redeliver all of our dedicated natural gas on a firm commitment, first-priority basis. Antero Midstream may perform all services under the gas gathering and compression agreement or it may perform such services through third parties. In the event that Antero Midstream does not perform its obligations under the gas gathering and compression agreement, we will be entitled to certain rights and remedies thereunder.

Pursuant to the gas gathering and compression agreement, Antero Midstream will also agree to build to and connect all wells producing dedicated natural gas, subject to certain exceptions, upon 180 days' notice by us. In the event of late connections, our natural gas will temporarily not be subject to the dedication. Antero Midstream will be entitled to compensation under the gas gathering and compression agreement for capital costs incurred if a well does not commence production within a stated period of time following completion of the connection.

Antero Midstream will agree to install compression facilities at our direction, but will not be responsible for inlet pressures or for pressuring natural gas to enter downstream facilities if we have not directed Antero Midstream to install sufficient compression. Additionally, Antero Midstream will provide high-pressure gathering pursuant to the gas gathering and compression agreement.

Water Services Agreement

Following the closing of this offering, we intend to enter into a 20-year water services agreement with Antero Midstream that will cover an initial service area encompassing portions of our areas of operation in West Virginia, Ohio and Pennsylvania. Antero Midstream will receive per-barrel fees for fresh water deliveries to well sites or a reduced per-barrel fee if we transport the water from Antero Midstream's storage facilities. Antero Midstream will also have the right at its election to provide services outside the initial service area on a cost-of-service basis. In addition, if we acquire any facilities for providing water for hydraulic fracturing, we are required to offer such facilities to Antero Midstream at our cost.

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If we require water services outside of the initial service area, Antero Midstream will have the option to provide water services to such areas on the same terms and conditions. In the event Antero Midstream does not exercise this option, we will be entitled to obtain proposals for water services from third parties. Midstream will then have the right to match any proposal we receive from a third party. If Midstream does not do so we will be entitled to obtain water services from such third party on the proposed terms.

The water pipeline system by which Antero Midstream will provide water services will include facilities for receiving fresh water at designated sources. Pursuant to the agreement, Antero Midstream will transport and store such fresh water at specific areas of operation. The water pipeline system will also include permanent and temporary water lines for delivering our fresh water from the transportation system to our well sites for hydraulic fracturing operations.

In return, Antero Midstream will agree to receive our fresh water and deliver such fresh water to the water pipeline system storage facilities or to particular well sites for hydraulic fracturing up to the available capacity of the water pipeline system. We will retain the risk of acquiring water in sufficient quantities. Antero Midstream may perform all services under the water services agreement or it may perform such services through third parties. In the event that Antero Midstream does not perform its obligations under the water services agreement, we will be entitled to certain rights and remedies thereunder.

Antero Midstream will have the right to use excess water pipeline system capacity and water from our fresh water sources to provide to third parties, provided that Antero Midstream pays the cost, if any, of such excess water.

Further, Antero Midstream will be required to build out and expand the water pipeline system in order to deliver fresh water to all of our wells being drilled, subject to certain exceptions. Antero Midstream is obligated to connect the water system and commence water deliveries to particular wells with the central portions of the initial service area upon 180 days' notice from us. Antero Midstream's obligation to connect and commence water deliveries in the outlying areas of the initial service area will be phased in over time, but the 180-day notice period will eventually become applicable to all areas in the initial service area. If Antero Midstream does not connect to a particular well for water deliveries, we may transport water from Antero Midstream's water storage sites for delivery to our well sites.

Credit Support Arrangement

Following the closing of this offering, we intend to enter into an intercompany credit agreement with Antero Midstream. The intercompany credit agreement provides that we will make available to Antero Midstream up to \$500 million in revolving credit facility borrowings from time to time. The facility will mature on the earlier of May 12, 2016 or the consummation of Antero Midstream's initial public offering. Interest on borrowings under the facility is payable by Antero Midstream at a rate equal to three-month LIBOR for the relevant borrowing period plus 2.5%.

The form of intercompany credit agreement is filed as an exhibit to the registration statement of which this prospectus forms a part, and the foregoing description of the intercompany credit agreement is qualified in its entirety by reference thereto.

Reimbursement for Services

In connection with the closing of this offering, we intend to provide certain services to Antero Midstream pursuant to Antero Midstream's limited liability company agreement. The services we will provide will include customary management and general administrative services. We expect that we will be reimbursed at cost for our direct expenses on behalf of Antero Midstream and a proportionate share of our indirect expenses, including compensation expense. After an initial public offering of Antero Midstream, we expect that the partnership agreement of the newly created MLP will contain a similar services and reimbursement provision.

Conflicts of Interests Policy for Transactions between Antero Midstream and Us

Prior to the completion of this offering, we anticipate that our board of directors will adopt a Conflicts of Interests Policy, which is expected to be designed to monitor and ensure the proper review, approval, ratification and disclosure of transactions between Antero Midstream and us. The policy will apply following an initial public offering of Antero Midstream to any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) between us or any of our subsidiaries, on the one hand, and Antero Midstream, its general partner or any of its subsidiaries, on the other hand. We expect that, pursuant to the policy, all such transactions will be required to be fair and reasonable to us.

Firm Transportation Agreement

We are party to a firm transportation agreement with a private midstream company controlled by certain investment funds managed by Yorktown Partners LLC, one of our Sponsors. In addition, Mr. Keenan serves on both our board and the board of the private midstream company. Our obligations under the agreement are approximately \$3.0 million per year through September 2022.

Agreements with Crosstex

A principal of Yorktown Partners LLC, one of our Sponsors, serves as a director of Crosstex Energy GP, LLC, the general partner of Crosstex Energy, L.P., or Crosstex. We have entered into a compression and condensate stabilization agreement with an affiliate of Crosstex for a period of seven years. The minimum annual fee under this agreement is \$8.7 million. In addition, we are party to a compression operating agreement with an affiliate of Crosstex, pursuant to which they have agreed to operate one of our compression stations for a twelve-month period that began on May 1, 2013. The minimum monthly fee under this agreement is \$30,000.

Procedures for Approval of Related Party Transactions

Prior to the closing of this offering, we have not maintained a policy for approval of Related Party Transactions. A "Related Party Transaction" is a transaction, arrangement or relationship in which we or any of our subsidiaries was, is or will be a participant, the amount of which involved exceeds \$120,000, and in which any Related Person had, has or will have a direct or indirect material interest. A "Related Person" means:

- any person who is, or at any time during the applicable period was, one of our executive officers or one of our directors;
- any person who is known by us to be the beneficial owner of more than 5% of our common stock;
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a director, executive officer or a beneficial owner of more than 5% of our common stock, and any person (other than a tenant or employee) sharing the household of such director, executive officer or beneficial owner of more than 5% of our common stock; and
- any firm, corporation or other entity in which any of the foregoing persons is a partner or principal or in a similar position or in which such person has a 10% or greater beneficial ownership interest.

In addition to the Conflicts of Interest Policy described under "*—Antero Midstream—Conflicts of Interests Policy for Transactions between Antero Midstream and Us,*" we anticipate that our board of directors will adopt a written related party transactions policy prior to the completion of this offering. Pursuant to this policy, we expect that our audit committee will review all material facts of all Related Party Transactions.

CORPORATE REORGANIZATION

Antero Resources Corporation is a Delaware corporation. Following the completion of a corporate reorganization that will occur immediately prior to or contemporaneously with the closing of this offering, Antero Resources LLC will merge into Antero Resources Corporation. Therefore, investors in this offering will only receive, and this prospectus only describes the offering of, shares of common stock of Antero Resources Corporation. See "Description of Capital Stock" for additional information regarding the terms of our amended and restated certificate of incorporation and amended and restated bylaws as will be in effect upon the closing of this offering.

The reorganization will consist of the following steps:

- the formation of Antero Resources Investment LLC, a Delaware limited liability company;
- the exchange of all outstanding membership interests of our existing owners in Antero Resources LLC for equivalent interests in Antero Investment;
- the merger of Antero Resources LLC into Antero Resources Corporation, as a result of which Antero Investment will receive shares of common stock in Antero Resources Corporation.

As a result of these steps, Antero Resources Corporation will become a direct subsidiary of Antero Investment.

We refer to the transactions above collectively as our "corporation reorganization."

In addition, following the completion of this offering we expect to contribute our midstream business to Antero Midstream, which will be a newly formed limited liability company that we will initially control and in which we will own 100% of the economic interests. Antero Investment, which is indirectly owned by members of our management and our Sponsors, will indirectly own a special membership interest in Antero Midstream through its ownership of Midstream Management. This special membership interest will not have any management or economic rights other than giving Antero Investment certain rights related to an initial public offering of Antero Midstream. See "Certain Relationships and Related Party Transactions—Antero Midstream."

Limited Liability Company Agreement of Antero Investment

In connection with the completion of this offering, the members of Antero Investment, including the Sponsors, certain members of our management team and Employee Holdings will enter into a limited liability company agreement for Antero Investment, or the LLC Agreement. Among other things, the LLC Agreement will provide the mechanism by which Antero Investment will vote the shares of our common stock that it holds and the circumstances in which distributions will be made to the members of Antero Investment.

The LLC Agreement will provide that the board of directors of Antero Investment shall consist of:

- our Chief Executive Officer;
- Glen Warren, for so long as he remains our Chief Financial Officer;
- one director appointed by Warburg Pincus, for so long as it retains a minimum investment;
- one director appointed by Yorktown, for so long as it retains a minimum investment; and
- one director appointed by Trilantic, for so long as it retains a minimum investment.

In addition, the LLC agreement will provide that Antero Investment and its members will agree to vote the shares of our common stock held by Antero Investment in favor of the election of these five directors to our board.

Under the LLC Agreement, the board of directors of Antero Investment has the authority to vote the shares of our common stock held in its discretion with respect to matters deemed ordinary course, including the election of our directors, the ratification of our auditor, the approval of incentive

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compensation plans and proposals submitted by other stockholders. On all other matters, the board of directors of Antero Investment will vote the shares of common stock in equal proportion to the vote cast by members holding voting units relative to all outstanding voting units. See "Principal and Selling Stockholders" for a description of the ownership of the voting interests of Antero Investment of each of our Sponsors.

The LLC Agreement will provide that Antero Investment will make distributions to its members in certain circumstances, including in connection with a change of control of us and any secondary sales of our common stock by Antero Investment. In addition, on a date to be determined in accordance with the LLC Agreement, Antero Investment will distribute all remaining shares of our common stock to its members based on a valuation at such time. The number of shares that members of our management team and Employee Holdings receive will increase as the return on investment ultimately realized by the other members of Antero Investment increases.

PRINCIPAL AND SELLING STOCKHOLDERS

Beneficial Ownership

The following table sets forth information with respect to the beneficial ownership of our common stock as of _____, 2013 after giving effect to our corporation reorganization by:

- each of our named executive officers;
- each of our directors;
- all of our directors and executive officers as a group; and
- the selling stockholder.

Except as otherwise noted, the person or entities listed below have sole voting and investment power with respect to all shares of our common stock beneficially owned by them, except to the extent this power may be shared with a spouse. All information with respect to beneficial ownership has been furnished by the respective directors, officers or 5% or more stockholders, as the case may be. Unless otherwise note, the mailing address of each person or entity named in the table is 1625 17th Street, Denver, Colorado, 80202.

The selling stockholder has granted the underwriters the option to purchase up to an additional _____ shares of common stock and will sell shares only to the extent such option is exercised. The number of shares being offered by the selling stockholder in the table below assumes a full exercise of the underwriters' option to purchase additional shares of common stock.

<u>Name and Address of Beneficial Owner</u>	<u>Shares Beneficially Owned Prior to the Offering(1)</u>		<u>Shares Being Offered</u>	<u>Shares Beneficially Owned After Offering</u>	
	<u>Number</u>	<u>Percentage</u>		<u>Number</u>	<u>Percentage</u>
Antero Resources Investment LLC(2)					
Peter R. Kagan(3)					
W. Howard Keenan, Jr.(3)					
Christopher R. Manning(3)					
Richard W. Connor(3)					
Robert J. Clark(3)					
Benjamin A. Hardesty(3)					
James R. Levy(3)					
Paul M. Rady					
Glen C. Warren, Jr.					
Kevin J. Kilstrom					
Alvyn A. Schopp					
Directors and executive officers as a group (12 persons)					

* Less than one percent.

- (1) Prior to the completion of our corporate reorganization (which will occur immediately prior to or contemporaneously with the completion of this offering), the ownership interests of the selling stockholder and our directors and named executive officers are represented by limited liability company interests in Antero Resources LLC.
- (2) Pursuant to the LLC Agreement, the disposition of any shares of our common stock held by Antero Investment requires the approval of the director appointed by Warburg Pincus and at least 69% of the voting interests in Antero Investment. Under an agreement and plan of merger between us, Antero Resources LLC and Antero Investment (the "Merger Agreement"), Antero LLC will grant an irrevocable proxy over the shares of our common stock owned by

Antero LLC. As a result, Antero Investment will have the sole right and authority to vote, dispose of and take any other actions with respect to such shares of common stock as of it were the record holder thereof.

Under the LLC Agreement, the board of directors of Antero Investment has the authority to vote the shares of our common stock held by Antero Investment in its discretion with respect to matters deemed ordinary course, including the election of our directors, the ratification of our auditor, the approval of incentive compensation plans and proposals submitted by other stockholders. On all other matters, the board of directors of Antero Investment will vote the shares of common stock in equal proportion to the vote cast by members holding voting units relative to all outstanding voting units.

See "Corporate Reorganization—Limited Liability Company Agreement of Antero Investment."

Funds affiliated with Warburg Pincus will own 38.4% of the voting interests in, and will have the right to appoint one director of, Antero Investment. The Warburg Pincus funds are Warburg Pincus Private Equity VIII, L.P., a Delaware limited partnership ("WP VIII"), and together with its two affiliated partnerships Warburg Pincus Netherlands Private Equity VIII C.V. I, a company formed under the laws of the Netherlands ("WP VIII CV I"), and WP-WPVIII Investors, L.P., a Delaware limited partnership ("WP-WPVIII Investors") and, together with WP VIII and WP VIII CV I, the "WP VIII Funds"), Warburg Pincus Private Equity X, L.P., a Delaware limited partnership ("WP X"), and Warburg Pincus X Partners, L.P., a Delaware limited partnership ("WP X Partners," and together with WP X, the "WP X Funds"), and Warburg Pincus Private Equity X O&G, L.P., a Delaware limited partnership ("WP X O&G"), through their beneficial interests in WP Antero LLC, a Delaware limited liability company, an indirect subsidiary of WP X, WP X O&G, WP-WPVIII Investors and a direct subsidiary of WP X Partners, WP VIII and WP VIII CV I. Warburg Pincus X, L.P., a Delaware limited partnership ("WP X GP"), is the general partner of the WP X Funds and WP X O&G. Warburg Pincus X LLC, a Delaware limited liability company ("WP X LLC"), is the general partner of WP X GP. WP-WPVIII Investors LLC, a Delaware limited liability company ("WP-WPVIII LLC"), is the general partner of WP-WPVIII Investors. Warburg Pincus Partners LLC, a New York limited liability company ("WP Partners"), is the sole member of WP X LLC and WP-WPVIII LLC and the general partner of WP VIII and WP VIII CV I. Warburg Pincus & Co., a New York general partnership ("WP"), is the managing member of WP Partners. Warburg Pincus LLC, a New York limited liability company ("WP LLC"), is the manager of the WP VIII Funds, the WP X Funds, and WP X O&G. Charles R. Kaye and Joseph P. Landy are each Managing General Partners of WP and Managing Members and Co-Presidents of WP LLC and may be deemed to control the Warburg Pincus entities. Each of Messrs. Kaye and Landy, together with the WP VIII Funds, the WP X Funds, WP X O&G, WP X GP, WP X LLC, WP Partners, WP LLC and WP are collectively referred to herein as the "Warburg Pincus Entities". Each Warburg Pincus Entity disclaims beneficial ownership with respect to any shares of common stock, except to the extent of its pecuniary interest. In addition, one of our directors, Peter R. Kagan, and one of our director nominees, James R. Levy, also serve as partners of WP and as Managing Directors and Members of WP LLC. Messrs. Kagan and Levy disclaim beneficial ownership of all shares of common stock held by the Warburg Pincus entities.

Investment funds managed by Yorktown Partners will own 10.8% of the voting interests in, and will have the right to appoint one director of, Antero Investment. The Yorktown funds that will hold an interest in Antero Investment consist 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. Yorktown V Company LLC is the sole general partner of Yorktown Energy Partners V, L.P. Yorktown VI Company LP is the sole general partner of Yorktown Energy Partners VI, L.P. Yorktown VI Associates LLC is the sole general partner of Yorktown VI Company LP. Yorktown VII Company LP is the sole general partner of Yorktown Energy Partners VII, L.P. Yorktown VII

Associates LLC is the sole general partner of Yorktown VII Company LP. Yorktown VIII Company LP is the sole general partner of Yorktown Energy Partners VIII, L.P. Yorktown VIII Associates LLC is the sole general partner of Yorktown VIII Company LP. The managers of each of Yorktown V Company LLC, Yorktown VI Associates LLC, Yorktown VII Associates LLC and Yorktown VIII Associates LLC, who act by majority approval, are Bryan H. Lawrence, W. Howard Keenan, Jr., Peter A. Leidel, Tomás R. LaCosta and Robert A. Signorino. As a result, Yorktown V Company LLC, Yorktown VI Associates LLC, Yorktown VII Associates LLC, Yorktown VIII Associates LLC and their respective managers may be deemed to share the power to vote or direct the vote or dispose or direct the disposition of the voting interests in Antero Investment owned by the Yorktown funds. Such Yorktown funds disclaim beneficial ownership of the shares of common stock held by Antero Investment, except to the extent of their pecuniary interest therein. Yorktown V Company LLC, Yorktown VI Associates LLC, Yorktown VII Associates LLC, Yorktown VIII Associates LLC and their respective managers disclaim beneficial ownership of all shares of common stock held by Antero Investment.

Trilantic Capital Partners Fund III Onshore Rollover L.P., Trilantic Capital Partners AIV I L.P., Trilantic Capital Partners Fund AIV I L.P., Trilantic Capital Partners Fund (B) AIV I L.P., TCP Capital Partners V AIV I L.P., Trilantic Capital Partners IV L.P., Trilantic Capital Partners Group VI L.P., Trilantic Capital Partners Fund IV Funded Rollover L.P., TCP Capital Partners VI L.P. (collectively, "Trilantic Capital Partners") and LB DPEF 2004 Partners L.P. ("DPEF") will collectively and indirectly own 8.5% of the voting interests in Antero Investment. The holdings of Trilantic Capital Partners and DPEF are held by TCP Antero I-1 Holdco, LLC, which is managed by Trilantic Capital Management LLC ("TCM") as managing member; TCP Antero I-2 Holdco, LLC and TCP Antero I-4 Holdco, LLC, are each managed by Trilantic Capital Partners IV L.P. as managing member. TCP Antero I-1 Holdco, LLC, TCP Antero I-2 Holdco, LLC and TCP Antero I-4 Holdco, LLC (collectively, the "Trilantic Entities") will have the right to appoint one director of Antero Investment. TCM, the investment adviser of Trilantic Capital Partners, as well as Charles Ayres, E. Daniel James, Christopher R. Manning, Jon Mattson and Charles C. Moore (collectively, the "Trilantic Partners") as partners, members of the Board of Managers and majority owners of TCM, may be deemed to share voting and dispositive power of the voting interests in Antero Investment owned by Trilantic Capital Partners. Trilantic Capital Partners and DPEF disclaim beneficial ownership of the shares of common stock, except to the extent of their pecuniary interest. TCM and the Trilantic Partners disclaim beneficial ownership of all shares held by the Trilantic Entities.

- (3) Shares beneficially owned do not include any shares to be granted to non-employee directors under the LTIP in connection with this offering.

DESCRIPTION OF CAPITAL STOCK

Upon completion of this offering, the authorized capital stock of Antero Resources Corporation will consist of _____ shares of common stock, \$ _____ par value per share, of which _____ shares will be issued and outstanding, and _____ shares of preferred stock, \$ _____ par value per share, of which no shares will be issued and outstanding.

The following summary of the capital stock and amended and restated certificate of incorporation and amended and restated bylaws of Antero Resources Corporation does not purport to be complete and is qualified in its entirety by reference to the provisions of applicable law and to our amended and restated certificate of incorporation and amended and restated bylaws, which are filed as exhibits to the registration statement of which this prospectus is a part.

Common Stock

Except as provided by law or in a preferred stock designation, holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, will have the exclusive right to vote for the election of directors and do not have cumulative voting rights. Except as otherwise required by law, holders of common stock, are not entitled to vote on any amendment to the amended and restated certificate of incorporation (including any certificate of designations relating to any series of preferred stock) that relates solely to the terms of any outstanding series of preferred stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the amended and restated certificate of incorporation (including any certificate of designations relating to any series of preferred stock) or pursuant to the DGCL. Subject to prior rights and preferences that may be applicable to any outstanding shares or series of preferred stock, holders of common stock are entitled to receive ratably in proportion to the shares of common stock held by them such dividends (payable in cash, stock or otherwise), if any, as may be declared from time to time by our board of directors out of funds legally available for dividend payments. All outstanding shares of common stock are fully paid and non-assessable, and the shares of common stock to be issued upon completion of this offering will be fully paid and non-assessable. The holders of common stock have no preferences or rights of conversion, exchange, pre-emption or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. In the event of any voluntary or involuntary liquidation, dissolution or winding-up of our affairs, holders of common stock will be entitled to share ratably in our assets in proportion to the shares of common stock held by them that are remaining after payment or provision for payment of all of our debts and obligations and after distribution in full of preferential amounts to be distributed to holders of outstanding shares of preferred stock, if any.

Preferred Stock

Our amended and restated certificate of incorporation authorizes our board of directors, subject to any limitations prescribed by law, without further stockholder approval, to establish and to issue from time to time one or more classes or series of preferred stock, par value \$ _____ per share, covering up to an aggregate of _____ shares of preferred stock. Each class or series of preferred stock will cover the number of shares and will have the powers, preferences, rights, qualifications, limitations and restrictions determined by the board of directors, which may include, among others, dividend rights, liquidation preferences, voting rights, conversion rights, preemptive rights and redemption rights. Except as provided by law or in a preferred stock designation, the holders of preferred stock will not be entitled to vote at or receive notice of any meeting of stockholders.

Anti-Takeover Effects of Provisions of Our Amended and Restated Certificate of Incorporation, our Amended and Restated Bylaws and Delaware Law

Some provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws will contain provisions that could make the following transactions more difficult: acquisitions of us by means of a tender offer, a proxy contest or otherwise; or removal of our incumbent officers and directors. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection and our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Delaware Law

Section 203 of the DGCL prohibits a Delaware corporation, including those whose securities are listed for trading on the NYSE, from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless:

- the transaction is approved by the board of directors before the date the interested stockholder attained that status;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or
- on or after such time the business combination is approved by the board of directors and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

We may elect to not be subject to the provisions of Section 203 of the DGCL.

Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Provisions of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective upon the closing of this offering, may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock.

Among other things, upon the completion of this offering, our amended and restated certificate of incorporation and amended and restated bylaws will:

- establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not

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less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for the preceding year. Our amended and restated bylaws specify the requirements as to form and content of all stockholders' notices. These requirements may preclude stockholders from bringing matters before the stockholders at an annual or special meeting;

- provide our board of directors the ability to authorize undesignated preferred stock. This ability makes it possible for our board of directors to issue, without stockholder approval, preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company;
- provide that the authorized number of directors may be changed only by resolution of the board of directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law or, if applicable, the rights of holders of a series of preferred stock, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- at any time after Antero Investment and the Sponsors and their respective affiliates no longer collectively own more than 50% of the outstanding shares of our common stock,
 - provide that any action required or permitted to be taken by the stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing in lieu of a meeting of such stockholders, subject to the rights of the holders of any series of preferred stock with respect to such series (prior to such time, such actions may be taken without a meeting by written consent of holders of common stock having not less than the minimum number of votes that would be necessary to authorize such action at a meeting);
 - provide our certificate of incorporation and bylaws may be amended by the affirmative vote of the holders of at least two-thirds of our then outstanding common stock (prior to such time, our certificate of incorporation and bylaws may be amended by the affirmative vote of the holders of a majority of our then outstanding common stock); and
 - provide that special meetings of our stockholders may only be called by the board of directors, the chief executive officer or the chairman of the board (prior to such time, a special meeting may also be called at the request of stockholders holding a majority of the outstanding shares entitled to vote);
- provide for our board of directors to be divided into three classes of directors, with each class as nearly equal in number as possible, serving staggered three year terms, other than directors which may be elected by holders of preferred stock, if any. This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors;
- provide that we renounce any interest in existing and future investments in other entities by, or the business opportunities of, Antero Investment or the Sponsors or any of their officers, directors, agents, stockholders, members, partners, affiliates and subsidiaries (other than our directors that are presented business opportunities in their capacity as our directors) and that they have no obligation to offer us those investments or opportunities; and
- provide that our bylaws can be amended or repealed at any regular or special meeting of stockholders or by the board of directors, including the requirement that any amendment by the stockholders at a meeting, at any time after Antero Investment and the Sponsors and their respective affiliates no longer collectively own more than 50% of the outstanding shares of our

common stock, be upon the affirmative vote of at least 66²/₃% of the shares of common stock generally entitled to vote in the election of directors.

Limitation of Liability and Indemnification Matters

Our amended and restated certificate of incorporation limits the liability of our directors for monetary damages for breach of their fiduciary duty as directors, except for liability that cannot be eliminated under the DGCL. Delaware law provides that directors of a company will not be personally liable for monetary damages for breach of their fiduciary duty as directors, except for liabilities:

- for any breach of their duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- for unlawful payment of dividend or unlawful stock repurchase or redemption, as provided under Section 174 of the DGCL;
or
- for any transaction from which the director derived an improper personal benefit.

Any amendment, repeal or modification of these provisions will be prospective only and would not affect any limitation on liability of a director for acts or omissions that occurred prior to any such amendment, repeal or modification.

Our amended and restated certificate of incorporation and amended and restated bylaws also provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. Our amended and restated certificate of incorporation and amended and restated bylaws also permit us to purchase insurance on behalf of any officer, director, employee or other agent for any liability arising out of that person's actions as our officer, director, employee or agent, regardless of whether Delaware law would permit indemnification. We intend to enter into indemnification agreements with each of our current and future directors and officers. These agreements will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liability that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We believe that the limitation of liability provision in our amended and restated certificate of incorporation and the indemnification agreements will facilitate our ability to continue to attract and retain qualified individuals to serve as directors and officers.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

Listing

We have been approved to list our common stock on the NYSE under the symbol "AR".

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect the market price of our common stock prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of a substantial number of shares of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our common stock at such time and our ability to raise equity-related capital at a time and price we deem appropriate.

Sales of Restricted Shares

Upon the closing of this offering, we will have outstanding an aggregate of _____ shares of common stock. Of these shares, all of the _____ shares of common stock to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 under the Securities Act. All remaining shares of common stock held by existing stockholders will be deemed "restricted securities" as such term is defined under Rule 144. The restricted securities were issued and sold by us in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below.

As a result of the lock-up agreements described below and the provisions of Rule 144 and Rule 701 under the Securities Act, the shares of our common stock (excluding the shares to be sold in this offering) that will be available for sale in the public market are as follows:

- no shares will be eligible for sale on the date of this prospectus or prior to 180 days after the date of this prospectus;
- shares will be eligible for sale upon the expiration of the lock-up agreements, beginning 180 days after the date of this prospectus (subject to extension) and when permitted under Rule 144 or Rule 701; and
- shares will be eligible for sale, upon exercise of vested options, upon the expiration of the lock-up agreements, beginning 180 days after the date of this prospectus (subject to extension).

Lock-up Agreements

We, all of our directors and officers and Antero Investment have agreed not to sell any common stock for a period of 180 days from the date of this prospectus, subject to certain exceptions and extensions. See "Underwriting (Conflicts of Interest)" for a description of these lock-up provisions.

Rule 144

In general, under Rule 144 under the Securities Act as currently in effect, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for a least sixth months (including any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

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A person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least nine months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of our common stock or the average weekly trading volume of our common stock reported through the NYSE during the four calendar weeks preceding the filing of notice of the sale. Such sales are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 701

In general, under Rule 701 under the Securities Act, any of our employees, directors, officers, consultants or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering is entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirement of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, volume limitation or notice filing provisions of Rule 144. The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus.

Stock Issued Under Employee Plans

We intend to file a registration statement on Form S-8 under the Securities Act to register stock issuable under our LTIP. This registration statement on Form S-8 is expected to be filed following the effective date of the registration statement of which this prospectus is a part and will be effective upon filing. Accordingly, shares registered under such registration statement will be available for sale in the open market following the effective date, unless such shares are subject to vesting restrictions with us, Rule 144 restrictions applicable to our affiliates or the lock-up restrictions described above.

**MATERIAL U.S. FEDERAL INCOME AND ESTATE TAX CONSIDERATIONS
FOR NON-U.S. HOLDERS**

The following is a summary of the material U.S. federal income tax and, to a limited extent, estate tax, consequences related to the purchase, ownership and disposition of our common stock by a non-U.S. holder (as defined below), that holds our common stock as a "capital asset" (generally property held for investment). This summary is based on the provisions of the Internal Revenue Code of 1986, as amended, or the Code, U.S. Treasury regulations and administrative rulings and judicial decisions, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. We have not sought any ruling from the Internal Revenue Service, or the IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary does not address all aspects of U.S. federal income and estate taxation or the tax considerations arising under the laws of any non-U.S., state, or local jurisdiction, or under U.S. federal gift tax laws. In addition, this summary does not address tax considerations applicable to investors that may be subject to special treatment under the U.S. federal income tax laws, such as (without limitation):

- banks, insurance companies or other financial institutions;
- tax-exempt or governmental organizations;
- dealers in securities or foreign currencies;
- traders in securities that use the mark-to-market method of accounting for U.S. federal income tax purposes;
- "controlled foreign corporations," "passive foreign investment companies" and corporations that accumulate earnings to avoid U.S. federal income tax;
- persons subject to the alternative minimum tax;
- partnerships or other pass-through entities for U.S. federal income tax purposes or holders of interests therein;
- persons that hold our common stock as a result of a constructive sale;
- persons that acquired our common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;
- certain former citizens or long-term residents of the United States;
- real estate investment trusts or regulated investment companies;
- persons that hold our common stock as part of a straddle, appreciated financial position, synthetic security, hedge, conversion transaction or other integrated investment or risk reduction transaction; and
- persons that hold in excess of 5% of our common stock.

YOU ARE ENCOURAGED TO CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME AND ESTATE TAX LAWS TO YOUR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

Non-U.S. Holder Defined

For purposes of this discussion, a non-U.S. holder is a beneficial owner of our common stock that is an individual, corporation, estate or trust and is not for U.S. federal income tax purposes any of the following:

- an individual citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or who meets the "substantial presence" test under Section 7701(b) of the Code;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (i) whose administration is subject to the primary supervision of a U.S. court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (ii) which has made a valid election under applicable U.S. Treasury regulations to be treated as a United States person.

If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and upon the activities of the partnership. Accordingly, we urge partners of a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) investing in our common stock to consult their tax advisors regarding the U.S. federal income tax considerations of the purchase, ownership and disposition of our common stock by such partnership.

Distributions

We do not plan to make any distributions on our common stock for the foreseeable future. However, if we do make distributions on our common stock, those payments will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, the distributions will be treated as a non-taxable return of capital to the extent of the non-U.S. holder's tax basis in our common stock and thereafter as capital gain from the sale or exchange of such common stock. See "—Gain on Disposition of Common Stock." Any dividend paid to a non-U.S. holder on our common stock generally will be subject to U.S. withholding tax at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must provide the withholding agent with an IRS Form W-8BEN (or other appropriate form) certifying qualification for the reduced rate.

Dividends paid to a non-U.S. holder that are effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable tax treaty, are attributable to a permanent establishment maintained by the non-U.S. holder in the United States) generally will be taxed on a net income basis at the rates and in the manner generally applicable to U.S. persons (as defined under the Code). Effectively connected dividend income will not be subject to U.S. withholding tax if the non-U.S. holder satisfies certain certification requirements by providing to the withholding agent a properly executed IRS Form W-8ECI (or successor form) certifying eligibility for the exemption. If the non-U.S. holder is a corporation, that portion of the corporation's earnings and profits for the taxable year, as adjusted for certain items, that is effectively connected with its U.S. trade or business may also be subject to a "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable tax treaty.

Gain on Disposition of Common Stock

A non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

- the non-U.S. holder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met;
- the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States); or
- our common stock constitutes a U.S. real property interest by reason of our status as a United States real property holding corporation, or USRPHC, for U.S. federal income tax purposes.

A non-U.S. holder described in the first bullet point above will be subject to tax at a rate of 30% (or such lower rate as may be specified by an applicable tax treaty) on the amount of such gain (which may be offset by U.S. source capital losses).

A non-U.S. holder whose gain is described in the second bullet point above will be subject to U.S. federal income tax on any gain recognized on a net income basis at the same graduated rates generally applicable to U.S. persons unless an applicable tax treaty provides otherwise. Corporate non-U.S. holders may also be subject to a branch profits tax equal to 30% (or such lower rate as may be specified by an applicable tax treaty) of their earnings and profits that are effectively connected with a U.S. trade or business and attributable to such gain, as adjusted for certain items.

Generally, a corporation is a USRPHC if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. We believe that we currently are, and expect to remain for the foreseeable future, a USRPHC for U.S. federal income tax purposes. However, as long as our common stock is "regularly traded on an established securities market," a non-U.S. holder will be taxable on gain recognized on the disposition of our common stock as a result of our status as a USRPHC only if the non-U.S. holder actually or constructively owns owned at any time during the shorter of the five-year period ending on the date of the disposition or, if shorter, the non-U.S. holder's holding period for the common stock, more than 5% of our common stock. If our common stock were not considered to be regularly traded on an established securities market, all non-U.S. holders would be subject to U.S. federal income tax on a disposition of our common stock, and a 10% withholding tax would apply to the gross proceeds from the sale of our common stock by such non-U.S. holder.

Non-U.S. holders should consult their tax advisors with respect to the application of the foregoing rules to their ownership and disposition of our common stock.

U.S. Federal Estate Tax

Our common stock beneficially owned or treated as owned by an individual who is not a citizen or resident of the United States (as defined for U.S. federal estate tax purposes) at the time of death generally will be includable in the decedent's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise, and therefore may be subject to U.S. federal estate tax.

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to such holder, the name and address of the recipient, and the amount, if any, of tax withheld with respect to those dividends. These information reporting requirements apply even if

withholding was not required. Pursuant to tax treaties or other agreements, the IRS may make such reports available to tax authorities in the recipient's country of residence.

Payments of dividends to a non-U.S. holder generally will not be subject to backup withholding if the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN or another appropriate version of IRS Form W-8, provided that the withholding agent does not have actual knowledge, or reason to know, that the beneficial owner is a U.S. person that is not an exempt recipient.

Payments of the proceeds from a sale or other disposition by a non-U.S. holder of our common stock effected by or through a U.S. office of a broker generally will be subject to information reporting and backup withholding (at the applicable rate) unless the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN or another appropriate version of IRS Form W-8 and certain other conditions are met or the non-U.S. holder otherwise establishes an exemption. Information reporting and backup withholding generally will not apply to any payment of the proceeds from a sale or other disposition of our common stock effected outside the United States by a foreign office of a broker. However, unless such broker has documentary evidence in its records that the holder is a non-U.S. holder and certain other conditions are met, or the non-U.S. holder otherwise establishes an exemption, information reporting will apply to a payment of the proceeds of the disposition of our common stock effected outside the United States by such a broker if it has certain relationships within the United States.

Backup withholding is not an additional tax. Rather, the U.S. income tax liability (if any) of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained, provided that certain required information is timely furnished to the IRS.

Legislation Affecting Common Stock Held Through Foreign Accounts

Legislation enacted in 2010 imposes a 30% withholding tax on any dividends on our common stock and on the gross proceeds from a disposition of our common stock in each case if paid to a foreign financial institution or a non-financial foreign entity (including, in some cases, when such foreign financial institution or entity is acting as an intermediary), unless (i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments, and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners), (ii) in the case of a non-financial foreign entity, such entity certifies that it does not have any substantial U.S. owners or provides the withholding agent with a certification identifying the direct and indirect substantial U.S. owners of the entity, or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. Under certain circumstances, a holder might be eligible for refunds or credits of such taxes.

Payments subject to withholding tax under this law generally include dividends paid on common stock of a U.S. domestic corporation after June 30, 2014, and gross proceeds from sales or redemptions of such common stock after December 31, 2016. Non-U.S. holders are encouraged to consult their tax advisors regarding the possible implications of this law.

THE FOREGOING DISCUSSION IS FOR GENERAL INFORMATION ONLY AND SHOULD NOT VIEWED AS TAX ADVICE. INVESTORS CONSIDERING THE PURCHASE OF OUR COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME AND ESTATE TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE APPLICABILITY AND EFFECT OF STATE, LOCAL OR FOREIGN TAX LAWS AND TREATIES.

UNDERWRITING (CONFLICTS OF INTEREST)

Barclays Capital Inc., Citigroup Global Markets Inc. and J.P. Morgan Securities LLC are acting as the representatives of the underwriters and the joint book-running managers of this offering. Under the terms of an underwriting agreement, which has been filed as an exhibit to the registration statement of which this prospectus forms a part, each of the underwriters named below has severally agreed to purchase from us the respective number of shares of common stock shown opposite its name below:

<u>Underwriters</u>	<u>Number of Shares</u>
Barclays Capital Inc.	
Citigroup Global Markets Inc.	
J.P. Morgan Securities LLC	
Credit Suisse Securities (USA) LLC	
Jefferies LLC	
Wells Fargo Securities, LLC	
Morgan Stanley & Co. LLC	
Tudor, Pickering, Holt & Co. Securities, Inc.	
Robert W. Baird & Co. Incorporated	
BMO Capital Markets Corp.	
Capital One Securities, Inc.	
Raymond James & Associates, Inc.	
Scotia Capital (USA) Inc.	
Credit Agricole Securities (USA) Inc.	
KeyBanc Capital Markets Inc.	
Mitsubishi UFJ Securities (USA), Inc.	
BB&T Capital Markets, a division of BB&T Securities, LLC	
Comerica Securities, Inc.	
Total	

The underwriting agreement will provide that the underwriters' obligation to purchase shares of common stock depends on the satisfaction of the conditions contained in the underwriting agreement, including:

- the obligation to purchase all of the shares of common stock offered hereby (other than those shares of common stock covered by their options to purchase additional shares as described below), if any of the shares are purchased;
- the representations and warranties made by us and the selling stockholder to the underwriters being true;
- there having been no material change in our business or the financial markets; and
- our and the selling stockholder's delivery of customary closing documents to the underwriters.

Commissions and Expenses

The following table summarizes the underwriting discounts and commissions we and the selling stockholder will pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the underwriters' options to purchase additional shares. The underwriting fee is the

difference between the initial price to the public and the amount the underwriters pay to us and the selling stockholder for the shares.

Per share	Paid by the Company	
	No Exercise	Full Exercise
Total		

Per share	Paid by the Selling Stockholder	
	No Exercise	Full Exercise
Total		

The representatives of the underwriters have advised us that the underwriters propose to offer the shares of common stock directly to the public at the public offering price on the cover page of this prospectus and to selected dealers, which may include the underwriters, at such offering price less a selling concession not in excess of \$ _____ per share. After this offering, the representatives may change the offering price and other selling terms. Sales of shares made outside of the United States may be made by affiliates of the underwriters.

The expenses of this offering that are payable by us are estimated to be approximately \$ _____ (excluding underwriting discounts and commissions). We have agreed to pay expenses incurred by the selling stockholder in connection with this offering, other than the underwriting discounts and commissions.

Options to Purchase Additional Shares

The selling stockholder has granted the underwriters an option exercisable for 30 days after the date of this prospectus, to purchase, from time to time, in whole or in part, up to an aggregate of _____ shares from the selling stockholder at the public offering price less underwriting discounts and commissions. This option may be exercised if the underwriters sell more than _____ shares in connection with this offering. We have granted the underwriters an option exercisable for 30 days after the date of this prospectus, to purchase, from time to time, in whole or in part, up to an aggregate of _____ shares at the public offering price less underwriting discounts and commissions. This option may be exercised if the underwriters sell more than _____ shares in connection with this offering. Any exercise by the underwriters of their options to purchase additional shares of common stock will be made initially with respect to the _____ additional shares of common stock to be sold by the selling stockholder and then with respect to the _____ additional shares of common stock to be sold by us. To the extent that the options are exercised, each underwriter will be obligated, subject to certain conditions, to purchase its pro rata portion of these additional shares based on the underwriter's underwriting commitment in this offering as indicated in the table at the beginning of this "Underwriting (Conflicts of Interest)" section.

Lock-Up Agreements

We, the selling stockholder and all of our directors and executive officers have agreed that, subject to certain exceptions, without the prior written consent of Barclays Capital Inc., we and they will not directly or indirectly, (1) offer for sale, sell, pledge or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of common stock (other than common stock and shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans existing on the date of this prospectus or described herein) or sell or grant options,

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rights or warrants with respect to any shares of common stock, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of the common stock, whether any such transaction described in clause (1) or clause (2) is to be settled by delivery of the common stock or other securities, in cash or otherwise, (3) file or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of common stock or securities convertible, exercisable or exchangeable into common stock or any of our other securities (other than any registration statement on Form S-8), or (4) publicly disclose the intention to do any of the foregoing for a period of 180 days after the date of this prospectus.

Barclays Capital Inc., in its sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. When determining whether or not to release common stock and other securities from lock-up agreements, Barclays Capital Inc. will consider, among other factors, the holder's reasons for requesting the release, the number of shares of common stock and other securities for which the release is being requested and market conditions at the time.

As described below under "Directed Share Program," any participants in the Directed Share Program shall be subject to a 180-day lock up with respect to any shares sold to them pursuant to that program. This lock up will have similar restrictions and an identical extension provision as the lock-up agreement described above. Any shares sold in the Directed Share Program to our directors or officers shall be subject to the lock-up agreement described above.

Offering Price Determination

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be negotiated between the representatives and us. In determining the initial public offering price of our common stock, the representatives will consider:

- the history and prospects for the industry in which we compete;
- our financial information;
- the ability of our management and our business potential and earning prospects;
- the prevailing securities markets at the time of this offering; and
- the recent market prices of, and the demand for, publicly traded shares of generally comparable companies.

Indemnification

We and the selling stockholder have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act and liabilities incurred in connection with the directed share program referred to below, and to contribute to payments that the underwriters may be required to make for these liabilities.

Directed Share Program

At our request, the underwriters have reserved up to 5% of the shares offered hereby at the initial public offering price for officers, directors, employees and certain other persons associated with us. The number of shares available for sale to the general public will be reduced to the extent such persons purchase such reserved shares. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered hereby. The program will be arranged through one of our underwriters, Barclays Capital Inc. Any participants in this program shall be prohibited from selling, pledging or assigning any shares sold to them pursuant to this

program for a period of 180 days after the date of this prospectus. See "—Lock-Up Agreements" above.

Stabilization, Short Positions and Penalty Bids

The representatives may engage in stabilizing transactions, short sales and purchases to cover positions created by short sales, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of the common stock, in accordance with Regulation M under the Exchange Act.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- A short position involves a sale by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase in this offering, which creates the syndicate short position. This short position may be either a covered short position or a naked short position. In a covered short position, the number of shares involved in the sales made by the underwriters in excess of the number of shares they are obligated to purchase is not greater than the number of shares that they may purchase by exercising their options to purchase additional shares. In a naked short position, the number of shares involved is greater than the number of shares in their options to purchase additional shares. The underwriters may close out any short position by either exercising their options to purchase additional shares and/or purchasing shares in the open market. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through their options to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in this offering.
- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions.
- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of the common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NYSE or otherwise and, if commenced, may be discontinued at any time.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Electronic Distribution

A prospectus in electronic format may be made available on the Internet sites or through other online services maintained by one or more of the underwriters and/or selling group members participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular underwriter or selling group member, prospective investors may be allowed to place orders online. The underwriters may agree with us to

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allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the representatives on the same basis as other allocations.

Other than the prospectus in electronic format, the information on any underwriter's or selling group member's web site and any information contained in any other web site maintained by an underwriter or selling group member is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or any underwriter or selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

New York Stock Exchange

We have been approved to list our common stock on the NYSE under the symbol "AR". In connection with that listing, the underwriters have undertaken to sell the minimum number of common shares to the minimum number of beneficial owners necessary to meet the NYSE listing requirements.

Discretionary Sales

The underwriters have informed us that they do not intend to confirm sales to discretionary accounts that exceed 5% of the total number of shares offered by them. Certain of the underwriters have informed us that they do not intend to confirm sales to discretionary accounts without the prior specific written approval of the customer. See "—Conflicts of Interest" below.

Stamp Taxes

If you purchase shares of common stock offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses. In particular, affiliates of Barclays Capital Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, Wells Fargo Securities, LLC, BB&T Capital Markets, a division of BB&T Securities, LLC, BMO Capital Markets Corp., Capital One Securities, Inc., Comerica Securities, Inc., Credit Agricole Securities (USA) Inc., KeyBanc Capital Markets Inc. and Mitsubishi UFJ Securities (USA), Inc. are lenders under our credit facility. Additionally, an affiliate of J.P. Morgan Securities LLC acts as administrative agent under our credit facility.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments, including serving as counterparties to certain derivative and hedging arrangements, and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of us. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Conflicts of Interest

Affiliates of Barclays Capital Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Wells Fargo Securities, LLC, Credit Suisse Securities (USA) LLC, BMO Capital Markets Corp., Capital One Securities, Inc., Comerica Securities, Inc. and Mitsubishi UFJ Securities (USA), Inc. are lenders under our credit facility. As described in "Use of Proceeds," the net proceeds from this offering will be used to repay outstanding borrowings under our credit facility and will each receive more than 5% of the net proceeds of this offering due to the repayment of borrowings under the credit facility, such underwriters are deemed to have a conflict of interest within the meaning of Rule 5121 of FINRA. Accordingly, this offering will be conducted in accordance with Rule 5121, which requires, among other things, that a "qualified independent underwriter" has participated in the preparation of, and has exercised the usual standards of "due diligence" with respect to, the registration statement and this prospectus. Jefferies LLC has agreed to act as qualified independent underwriter for this offering and to undertake the legal responsibilities and liabilities of an underwriter under the Securities Act, specifically including those inherent in Section 11 of the Securities Act. Jefferies LLC will not receive any additional fees for serving as qualified independent underwriter in connection with this offering. We have agreed to indemnify Jefferies LLC against liabilities incurred in connection with acting as a qualified independent underwriter, including liabilities under the Securities Act.

Pursuant to Rule 5121, Barclays Capital Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Wells Fargo Securities, LLC, Credit Suisse Securities (USA) LLC, BMO Capital Markets Corp., Capital One Securities, Inc., Comerica Securities, Inc. and Mitsubishi UFJ Securities (USA), Inc. will not confirm any sales to any account over which they exercise discretionary authority without the specific written approval of the account holder. See "Use of Proceeds" for additional information.

Selling Restrictions

European Economic Area

This document is not a prospectus for the purposes of the Prospectus Directive (as defined below).

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (as defined below) (each, a relevant member state) with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the relevant implementation date), an offer to the public of any shares of our common stock which are the subject of the offering contemplated by this prospectus, may not be made in that relevant member state other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the relevant member state has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and our common stock to be offered so as to enable an investor to decide to purchase or subscribe for our common stock, as the same may be

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varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state), and includes any relevant implementing measure in each relevant member state and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

The sellers of the shares of our common stock have not authorized and do not authorize the making of any offer of shares through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the shares as contemplated in this prospectus. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of the shares on behalf of the sellers or the underwriters.

United Kingdom

This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive, which we refer to as qualified investors, that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, which we refer to as the Order, or (ii) high net worth entities, falling within Article 49(2)(a) to (d) of the Order, and (iii) any other person to whom it may lawfully be communicated pursuant to the Order, all such persons which we refer to together as relevant persons. This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any investment activity to which this prospectus relates will only be available to, and will only be engaged with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

All applicable provisions of the Financial Services and Markets Act 2000 (as amended) must be complied with in respect to anything done by any person in relation to our common stock in, from or otherwise involving the United Kingdom.

France

Neither this prospectus nor any other offering material relating to the shares described in this prospectus has been submitted to the clearance procedures of the Autorité des Marchés Financiers or of the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus nor any other offering material relating to the shares has been or will be:

- (a) released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- (b) used in connection with any offer for subscription or sale of the shares to the public in France.

Such offers, sales and distributions will be made in France only:

- (a) to qualified investors (investisseurs qualifiés) and/or to a restricted circle of investors (cercle restreint d'investisseurs), in each case investing for their own account, all as defined in, and in accordance with articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier;
- (b) to investment services providers authorized to engage in portfolio management on behalf of third parties; or

- (c) in a transaction that, in accordance with article L.411-2-II-1^o-or-2^o-or 3^o of the French Code monétaire et financier and article 211-2 of the General Regulations (Règlement Général) of the Autorité des Marchés Financiers, does not constitute a public offer (appel public à l'épargne).

The shares may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code monétaire et financier.

Switzerland

This document, as well as any other material relating to the shares which are the subject of the offering contemplated by this prospectus, do not constitute an issue prospectus pursuant to Article 652a and/or 1156 of the Swiss Code of Obligations. The shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the shares, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of the SIX Swiss Exchange. The shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the shares with the intention to distribute them to the public. The investors will be individually approached by the issuer from time to time. This document, as well as any other material relating to the shares, is personal and confidential and do not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without express consent of the issuer. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Hong Kong

The shares of our common stock offered hereby may not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made under that Ordinance, or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32, Laws of Hong Kong), or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares of our common stock offered hereby may be issued or may be in the possession of any person for the purpose of the issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the shares of our common stock offered hereby which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) or any rules made under that Ordinance.

Japan

The shares offered in this prospectus have not been registered under the Securities and Exchange Law of Japan. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale,

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or invitation for subscription or purchase, of the shares of our common stock offered hereby may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Future Act, Chapter 289 of Singapore, which we refer to as the SFA, (ii) to a "relevant person" as defined in Section 275(2) of the SFA, or any person pursuant to Section 275 (1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares of our common stock offered hereby are subscribed and purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole whole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable within six months after that corporation or that trust has acquired the shares under Section 275 of the SFA except
 - (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA) and in accordance with the conditions, specified in Section 275 of the SFA;
 - (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 275(1A) of the SFA, or (in the case of a trust) where the transfer arises from an offer that is made on terms that such rights or interests are acquired at a consideration of not less than \$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;
 - (iii) where no consideration is or will be given for the transfer; or
 - (iv) where the transfer is by operation of law.

By accepting this prospectus, the recipient hereof represents and warrants that he is entitled to receive it in accordance with the restrictions set forth above and agrees to be bound by limitations contained herein. Any failure to comply with these limitations may constitute a violation of law.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia, or the Corporations Act) in relation to the common stock has been or will be lodged with the Australian Securities & Investments Commission, or ASIC. This document has not been lodged with ASIC and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

- (a) you confirm and warrant that you are either:
 - (i) a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;
 - (ii) a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to us which complies with the requirements

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of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

- (iii) a person associated with the company under section 708(12) of the Corporations Act; or
- (iv) a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act, and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this document is void and incapable of acceptance; and

- (b) you warrant and agree that you will not offer any of the common stock for resale in Australia within 12 months of that common stock being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

LEGAL MATTERS

The validity of our common stock offered by this prospectus will be passed upon for us by Vinson & Elkins L.L.P., Houston, Texas. Certain legal matters in connection with this offering will be passed upon for the underwriters by Latham & Watkins LLP, Houston, Texas.

EXPERTS

The consolidated financial statements of Antero Resources LLC as of December 31, 2011 and 2012 and for each of the years in the three-year period ended December 31, 2012 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 said 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 related to our Appalachian Basin properties as of June 30, 2013 and December 31, 2012, 2011 and 2010 included elsewhere in this prospectus were based in part upon reserve reports audited by independent petroleum engineers, DeGolyer and MacNaughton. Estimates of our natural gas and oil reserves, related future net cash flows and the present values thereof related to our Piceance Basin properties as of December 31, 2011 and 2010 included elsewhere in this prospectus were based in part in upon reserve reports audited by independent petroleum engineers, Ryder Scott & Company. We have included these estimates in reliance on the authority of such firms as experts in such matters.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 (including the exhibits, schedules and amendments thereto) under the Securities Act, with respect to the shares of our common stock offered hereby. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. For further information with respect to the common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed therewith. Statements contained in this prospectus as to the contents of any contract, agreement or any other document are summaries of the material terms of such contract, agreement or other document and are not necessarily complete. With respect to each of these contracts, agreements or other documents filed as an exhibit to the registration statement, reference is made to the exhibits for a more complete description of the matter involved. A copy of the registration statement, and the exhibits and schedules thereto, may be inspected without charge at the public reference facilities maintained by the SEC at 100 F Street NE, Washington, D.C. 20549. Copies of these materials may be obtained, upon payment of a duplicating fee, from the Public Reference Room of the SEC at 100 F Street NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the SEC's website is www.sec.gov.

As a result of the offering, we will become subject to full information requirements of the Exchange Act. We will fulfill our obligations with respect to such requirements by filing periodic reports and other information with the SEC. We intend to furnish our stockholders with annual reports containing financial statements certified by an independent public accounting firm.

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Introductory Note to Financial Statements

The historical consolidated financial statements of Antero Resources LLC presented herein include the accounts of Antero Resources LLC and its direct or indirect wholly owned subsidiaries, Antero Resources Corporation (successor to Antero Resources Appalachian Corporation), Antero Resources Bluestone LLC, and Antero Resources Finance Corporation. Antero Resources Piceance LLC (successor to Antero Resources Piceance Corporation), which owned the Piceance Basin assets along with Antero Resources Pipeline LLC (successor to Antero Resources Pipeline Corporation), and Antero Resources Arkoma LLC (successor to Antero Resources Corporation), which owned the Arkoma Basin assets, were merged into Antero Resources Appalachian Corporation in February 2013. Antero Resources Appalachian Corporation then changed its name to Antero Resources Corporation. Antero Resources LLC has no assets other than its investment in Antero Resources Corporation and will be merged into Antero Resources Corporation upon the completion of this offering. The financial statements of Antero Resources LLC and Antero Resources Corporation will continue to be identical with respect to the underlying financial information at such time.

Antero Resources LLC and Antero Resources Corporation file separate federal and state income tax returns; Antero Resources LLC is not subject to income taxes because it is a pass-through entity for federal and state tax purposes. Antero Resources Corporation has provided for income taxes in its financial statements and the income tax provisions and liabilities of the registrant will not change as a result of the merger of Antero Resources LLC and Antero Resources Corporation upon the completion of this offering.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

December 31, 2012 and June 30, 2013

(Unaudited)

(In thousands)

	2012	2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 18,989	10,867
Accounts receivable—trade, net of allowance for doubtful accounts of \$174 and \$10 in 2012 and 2013, respectively	21,296	29,231
Notes receivable—short-term portion	4,555	4,444
Accrued revenue	46,669	66,432
Derivative instruments	160,579	205,221
Other	22,518	11,710
Total current assets	<u>274,606</u>	<u>327,905</u>
Property and equipment:		
Oil and natural gas properties, at cost (successful efforts method):		
Unproved properties	1,243,237	1,366,023
Proved properties	1,689,132	2,629,529
Gathering systems and facilities	168,930	334,096
Other property and equipment	9,517	11,282
	<u>3,110,816</u>	<u>4,340,930</u>
Less accumulated depletion, depreciation, and amortization	(173,343)	(266,296)
Property and equipment, net	<u>2,937,473</u>	<u>4,074,634</u>
Derivative instruments	371,436	388,694
Notes receivable—long-term portion	2,667	—
Other assets, net	32,611	33,915
Total assets	<u>\$3,618,793</u>	<u>4,825,148</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 181,478	233,751
Accrued liabilities and other	61,161	84,262
Derivative instruments	—	264
Revenue distributions payable	46,037	54,532
Current portion of long-term debt	25,000	25,000
Deferred income tax liability	62,620	79,722
Total current liabilities	<u>376,296</u>	<u>477,531</u>
Long-term liabilities:		
Long-term debt	1,444,058	2,418,217
Deferred income tax liability	91,692	127,915
Other long-term liabilities	33,010	44,552
Total liabilities	<u>1,945,056</u>	<u>3,068,215</u>
Equity:		
Members' equity	1,460,947	1,460,947
Accumulated earnings	212,790	295,986
Total equity	<u>1,673,737</u>	<u>1,756,933</u>
Total liabilities and equity	<u>\$3,618,793</u>	<u>4,825,148</u>

See accompanying notes to condensed consolidated financial statements.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

Three Months ended June 30, 2012 and 2013

(Unaudited)

(In thousands)

	2012	2013
Revenue:		
Natural gas sales	\$ 44,688	172,332
Natural gas liquids sales	—	17,244
Oil sales	277	2,085
Realized and unrealized gain (loss) on derivative instruments (including unrealized gains (losses) of \$(55,904) and \$181,337 in 2012 and 2013, respectively)	(6,040)	195,483
Total revenue	<u>38,925</u>	<u>387,144</u>
Operating expenses:		
Lease operating expenses	1,866	1,454
Gathering, compression, processing, and transportation	20,079	48,670
Production taxes	3,371	10,108
Exploration expenses	2,952	7,300
Impairment of unproved properties	1,295	4,803
Depletion, depreciation, and amortization	22,321	52,589
Accretion of asset retirement obligations	24	267
General and administrative	10,473	13,567
Total operating expenses	<u>62,381</u>	<u>138,758</u>
Operating income (loss)	(23,456)	248,386
Interest expense	(24,223)	(33,468)
Income (loss) from continuing operations before income taxes and discontinued operations	(47,679)	214,918
Income tax (expense) benefit	14,442	(83,725)
Income (loss) from continuing operations	(33,237)	131,193
Discontinued operations:		
Loss from results of operations and sale of discontinued operations	(444,850)	—
Net income (loss) and comprehensive income (loss) attributable to Antero equity owners	<u>\$ (478,087)</u>	<u>131,193</u>
Pro forma information		
Pro forma earnings (loss) per common share—basic		
Continuing operations	\$	\$
Discontinued operations	\$	\$
Net income (loss)	\$	\$
Pro forma earnings (loss) per common share—diluted		
Continuing operations	\$	\$
Discontinued operations	\$	\$
Net income (loss)	\$	\$
Pro forma weighted average number of shares outstanding:		
Basic		
Diluted		

See accompanying notes to condensed consolidated financial statements.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

Six Months ended June 30, 2012 and 2013

(Unaudited)

(In thousands)

	2012	2013
Revenue:		
Natural gas sales	\$ 89,822	294,278
Natural gas liquids sales	—	27,816
Oil sales	325	2,962
Realized and unrealized gain on derivative instruments (including unrealized gains of \$114,498 and \$61,265 in 2012 and 2013, respectively)	211,214	123,542
Gain on sale of gathering system	291,305	—
Total revenue	592,666	448,598
Operating expenses:		
Lease operating expenses	2,559	2,525
Gathering, compression, processing, and transportation	31,654	89,640
Production taxes	7,113	18,727
Exploration expenses	4,756	11,662
Impairment of unproved properties	1,581	6,359
Depletion, depreciation, and amortization	38,431	92,953
Accretion of asset retirement obligations	46	531
General and administrative	19,646	26,284
Total operating expenses	105,786	248,681
Operating income	486,880	199,917
Interest expense	(48,593)	(63,396)
Income from continuing operations before income taxes and discontinued operations	438,287	136,521
Income tax expense	(183,969)	(53,325)
Income from continuing operations	254,318	83,196
Discontinued operations:		
Loss from results of operations and sale of discontinued operations	(404,674)	—
Net income (loss) and comprehensive income (loss) attributable to Antero equity owners	\$ (150,356)	83,196
Pro forma information		
Pro forma earnings (loss) per common share—basic		
Continuing operations	\$	\$
Discontinued operations	\$	\$
Net income (loss)	\$	\$
Pro forma earnings (loss) per common share—diluted		
Continuing operations	\$	\$
Discontinued operations	\$	\$
Net income (loss)	\$	\$
Pro forma weighted average number of shares outstanding:		
Basic		
Diluted		

See accompanying notes to condensed consolidated financial statements.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

Six Months ended June 30, 2012 and 2013

(Unaudited)

(In thousands)

	2012	2013
Cash flows from operating activities:		
Net income (loss)	\$ (150,356)	83,196
Adjustment to reconcile net income to net cash provided by operating activities:		
Depletion, depreciation, amortization, and accretion	38,477	93,484
Impairment of unproved properties	1,581	6,359
Unrealized gains on derivative instruments, net	(114,498)	(61,265)
Gain on sale of assets	(291,305)	—
Loss on sale of discontinued operations	427,232	—
Deferred income tax expense	165,669	53,325
Depletion, depreciation, amortization, accretion, and impairment of unproved properties—discontinued operations	64,359	—
Unrealized losses on derivative instruments, net—discontinued operations	636	—
Deferred income tax expense—discontinued operations	12,727	—
Other	2,422	2,575
Changes in current assets and liabilities:		
Accounts receivable	(15,791)	(7,935)
Accrued revenue	18,535	(19,763)
Other current assets	(3,162)	10,808
Accounts payable	(17,058)	(1,436)
Accrued liabilities	10,641	20,137
Revenue distributions payable	575	8,495
Other	10,300	4,417
Net cash provided by operating activities	<u>160,984</u>	<u>192,397</u>
Cash flows from investing activities:		
Additions to proved properties	(4,451)	—
Additions to unproved properties	(263,737)	(271,003)
Drilling costs	(377,199)	(757,877)
Additions to gathering systems and facilities	(47,982)	(151,737)
Additions to other property and equipment	(1,300)	(1,766)
Proceeds from asset sales	811,253	—
Changes in other assets	(257)	3,975
Net cash from (used in) investing activities	<u>116,327</u>	<u>(1,178,408)</u>
Cash flows from financing activities:		
Issuance of senior notes	—	231,750
Borrowings (repayments) on bank credit facility, net	(275,000)	743,000
Payments of deferred financing costs	—	(5,663)
Other	(79)	8,802
Net cash provided by (used in) financing activities	<u>(275,079)</u>	<u>977,889</u>
Net increase (decrease) in cash and cash equivalents	2,232	(8,122)
Cash and cash equivalents, beginning of period	3,343	18,989
Cash and cash equivalents, end of period	<u>\$ 5,575</u>	<u>10,867</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	\$ (45,064)	(62,246)
Supplemental disclosure of noncash investing activities:		
Increase in accounts payable for additions to properties, gathering systems and facilities	\$ 31,593	54,051

See accompanying notes to condensed consolidated financial statements.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

December 31, 2012 and June 30, 2013

(Unaudited)

(1) Business and Organization

Antero Resources LLC, a limited liability company, and its consolidated operating subsidiaries (collectively referred to as the Company, we, or our) are engaged in the exploration for and the production of natural gas, natural gas liquids (NGLs), and oil onshore in the United States in 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, Ohio, and Pennsylvania. During 2012 we sold our Arkoma Basin properties and our Piceance Basin properties. We also have certain midstream gathering and pipeline operations which are ancillary to our interests in producing properties. Our corporate headquarters are in Denver, Colorado.

Our consolidated financial statements as of June 30, 2013 include the accounts of Antero Resources LLC, and its directly and indirectly owned subsidiaries. The subsidiaries include Antero Resources Corporation (ARC) (formerly Antero Resources Appalachian Corporation) and its wholly owned subsidiaries, Antero Resources Bluestone LLC and Antero Resources Finance Corporation (Antero Finance) (collectively referred to as the Antero Entities). Antero Resources LLC, the stand alone parent entity, has insignificant independent assets and no operations.

(2) Basis of Presentation and Significant Accounting Policies

(a) Basis of Presentation

These consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC) applicable to interim financial information and should be read in the context of the December 31, 2012 consolidated financial statements and notes thereto for a more complete understanding of the Company's operations, financial position, and accounting policies. The December 31, 2012 consolidated financial statements have been filed with the SEC in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

The accompanying unaudited consolidated 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 consolidated financial statements. In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments (consisting of normal and recurring accruals) considered necessary to present fairly the Company's financial position as of June 30, 2013, and the results of its operations for the three and six months ended June 30, 2012 and 2013, and its cash flows for the six months ended June 30, 2012 and 2013. We have no items of other comprehensive income or loss; therefore, our net income (loss) is identical to our comprehensive income (loss). All significant intercompany accounts and transactions have been eliminated. Operating results for the period ended June 30, 2013 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.

The Company's exploration and production activities are accounted for under the successful efforts method.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2012 and June 30, 2013

(Unaudited)

(2) Basis of Presentation and Significant Accounting Policies (Continued)

As of the date these financial statements were filed with the Securities and Exchange Commission, the Company completed its evaluation of potential subsequent events for disclosure and no items requiring disclosure were identified.

(b) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated 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 financial statements are based on a number of significant judgments, assumptions, and estimates, including estimates of gas and oil reserve quantities, which are the basis for the calculation of depreciation, depletion, and amortization, present value of future reserves, and impairment of oil and gas properties. Reserve estimates are, by their nature, inherently imprecise.

(c) Risks and Uncertainties

Historically, the market for natural gas has experienced significant price fluctuations. Prices for natural gas are volatile; price fluctuations can result from variations in weather, levels of production in a given 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 investments.

(e) 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, which may include commodity swap agreements, collar agreements, and other similar agreements relating to natural gas expected to be produced. From time to time, the Company may also enter into derivative contracts to mitigate the effects of interest rate fluctuations. To the extent 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 is unable to satisfy its settlement obligation. The fair value of our commodity derivative contracts of approximately \$593 million at June 30, 2013 includes the following asset values by bank counterparty: BNP Paribas—\$150 million; Credit Suisse—\$161 million; Wells Fargo—\$99 million; JP Morgan—\$102 million; Barclays—\$65 million; Deutsche Bank—\$11 million; Union Bank—\$2 million; and Toronto Dominion Bank—\$1 million. Additionally, contracts with Dominion Field Services account for \$2 million of the fair value. The credit ratings of certain of these banks have been downgraded because

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2012 and June 30, 2013

(Unaudited)

(2) Basis of Presentation and Significant Accounting Policies (Continued)

of the sovereign debt crisis in Europe. The estimated fair value of our commodity derivative assets has been risk adjusted using a discount rate based upon the respective published credit default swap rates (if available, or if not available, a discount rate based on the applicable Reuters bond rating) at June 30, 2013 for each of the European and American banks. We believe that all of these institutions currently are acceptable credit risks.

The Company records derivative instruments on the consolidated balance sheets as either an asset or liability measured at fair value and records changes in the fair value of derivatives in current earnings as they occur. Changes in the fair value of commodity derivatives are classified as revenues.

(f) Fair Value Measurements

Authoritative accounting guidance defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. This guidance also relates to all nonfinancial assets and liabilities that are not recognized or disclosed on a recurring basis (e.g., those measured at fair value in a business combination, the initial recognition of asset retirement obligations, and impairments of proved oil and gas properties, and other long-lived assets). 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. An asset or liability subject to the fair value requirements is categorized within the hierarchy based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. The highest priority (Level 1) is given to unadjusted quoted market prices in active markets for identical assets or liabilities, and the lowest priority (Level 3) is given to unobservable inputs. Level 2 inputs are data, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Instruments that 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 (vi) other relevant economic measures. The Company utilizes its counterparties to assess the reasonableness 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.

(g) Income Taxes

Antero Resources LLC and its subsidiaries file separate federal and state income tax returns. Antero Resources LLC is a partnership for income tax purposes and therefore is not subject to federal or state income taxes. The tax on the income of Antero Resources LLC is borne by the individual members through the allocation of taxable income.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2012 and June 30, 2013

(Unaudited)

(2) Basis of Presentation and Significant Accounting Policies (Continued)

Antero Resources Corporation and its subsidiaries recognize deferred tax assets and liabilities 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.

Unrecognized tax benefits represent potential future tax obligations for uncertain tax positions taken on previously filed tax returns that may not ultimately be sustained. The Company recognizes interest expense related to unrecognized tax benefits in interest expense and fines and penalties as income tax expense. The tax years 2009 through 2012 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 2008 through 2012.

(h) Impairment of Unproved Properties

Unproved properties are assessed for impairment on a property-by-property basis, and any impairment in value is charged to expense. Impairment is assessed based on remaining lease terms, drilling results, reservoir performance, commodity price outlooks, and future plans to develop acreage.

Impairment of unproved properties during the three months ended June 30, 2012 and 2013 was \$2 million and \$5 million, respectively.

(i) Industry Segment and Geographic Information

We have evaluated how the Company is organized and managed and have identified one operating segment—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. All of our assets are located in the United States and all of our revenues are attributable to United States customers.

(j) Guarantees

In November 2009 and January 2010, an indirect wholly owned finance subsidiary of Antero Resources LLC, Antero Finance, issued \$375 million and \$150 million, respectively, of 9.375% senior notes due December 1, 2017. In August 2011, Antero Finance issued \$400 million of 7.25% senior notes due August 1, 2019. In November 2012 and February 2013, Antero Finance issued \$300 million and \$225 million, respectively, of 6.00% senior notes due December 1, 2020. For purposes of this footnote, we collectively refer to the 2017 senior notes, the 2019 senior notes and the 2020 senior notes as the "senior notes."

Antero Resources LLC, as the parent company (for purposes of this footnote only, the Parent Company), has no independent assets or operations. Antero Finance is a 100% indirectly owned finance subsidiary of Parent Company. The senior notes are each guaranteed on a senior unsecured basis by Parent Company and all of Parent Company's wholly owned subsidiaries (other than Antero

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2012 and June 30, 2013

(Unaudited)

(2) Basis of Presentation and Significant Accounting Policies (Continued)

Finance) and certain of its future restricted subsidiaries. The guarantees are full and unconditional and joint and several. The guarantor subsidiaries may be released from those guarantees upon the occurrence of certain events, including (i) the designation of that subsidiary guarantor as an unrestricted subsidiary; (ii) the release or discharge of any guarantee or indebtedness that resulted in the creation of the guarantee of the senior notes by such subsidiary guarantor; or (iii) the sale or other disposition, including the sale of substantially all of the assets, of that subsidiary guarantor. There are no significant restrictions on Antero Finance's ability to obtain funds from the Parent Company or the subsidiary guarantors by dividend or loan, except those imposed by applicable law. However, the indentures governing the senior notes and the Credit Facility agreement contain significant restrictions on the ability of Antero Finance or the subsidiary guarantors to make distributions to the Parent Company. Finally, the Parent Company's wholly owned subsidiaries do not have restricted assets that exceed 25% of net assets as of the most recent fiscal year end that may not be transferred to the Parent Company in the form of loans, advances or cash dividends by the subsidiaries without the consent of a third party.

(3) Sale of Piceance and Arkoma Properties—Discontinued Operations

On December 21, 2012, the Company completed the sale of its Piceance Basin assets. The \$316 million of net proceeds from the sale represented the purchase price of \$325 million, adjusted for expenses of the sale and estimated income, expenses, and capital costs related to the Piceance Basin properties from the October 1, 2012 effective date of the sale through December 21, 2012. The Company recognized a loss of \$364 million on the sale of the Piceance Basin assets in the fourth quarter of 2012. The purchaser also assumed all of the Company's Rocky Mountain firm transportation obligations, which totaled approximately \$100 million. In connection with the sale of the Piceance Basin assets, the Company also liquidated its hedge positions related to the Piceance Basin and realized additional proceeds of approximately \$100 million.

On June 29, 2012, the Company completed its sale of its Arkoma Basin assets and the commodity hedges associated with the Arkoma assets. Proceeds from the sale of \$427 million represent the purchase price of \$445 million adjusted for expenses of the sale and estimated income, expenses, and capital costs from the effective date of the sale through the closing date of June 29, 2012. The Company recognized a loss of \$432 million on the sale of the Arkoma Basin assets in the second quarter of 2012.

Results of operations for the three months and six months ended June 30, 2012 for the Piceance Basin and Arkoma Basin assets are shown as discontinued operations on the accompanying

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2012 and June 30, 2013

(Unaudited)

(3) Sale of Piceance and Arkoma Properties—Discontinued Operations (Continued)

Consolidated Statement of Operations and Comprehensive Income (Loss) and are comprised of the following (in thousands):

	Three months ended June 30, 2012	Six months ended June 30, 2012
Sales of oil, natural gas, and natural gas liquids	\$ 35,103	82,406
Realized gains on derivative instruments	32,647	65,874
Unrealized losses on derivative instruments	(33,197)	(636)
Total revenues	<u>34,553</u>	<u>147,644</u>
Lease operating expenses	6,331	13,965
Gathering, compression, and transportation	14,152	30,525
Production taxes	1,264	3,098
Exploration expenses	200	412
Impairment of unproved properties	243	993
Depletion, depreciation, and amortization	31,585	63,147
Accretion of asset retirement obligations	113	219
Loss on sale of discontinued operations	427,232	427,232
Total expenses	<u>481,120</u>	<u>539,591</u>
Loss from discontinued operations before income taxes	(446,567)	(391,947)
Income tax (expense) benefit	1,717	(12,727)
Net loss from discontinued operations attributable to Antero equity owners	<u>\$ (444,850)</u>	<u>(404,674)</u>

(4) Long-term Debt

Long-term debt consists of the following at December 31, 2012 and June 30, 2013 (in thousands):

	December 31, 2012	June 30, 2013
Bank credit facility(a)	\$ 217,000	960,000
9.375% senior notes due 2017(b)	525,000	525,000
7.25% senior notes due 2019(c)	400,000	400,000
6.00% senior notes due 2020(d)	300,000	525,000
9.00% senior note(d)	25,000	25,000
Net premium	2,058	8,217
	<u>1,469,058</u>	<u>2,443,217</u>
Less amounts due within one year	25,000	25,000
Total	<u>\$ 1,444,058</u>	<u>2,418,217</u>

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2012 and June 30, 2013

(Unaudited)

(4) Long-term Debt (Continued)

(a) Bank Credit Facility

The Company has a senior secured revolving bank credit facility (the Credit Facility) with a consortium of bank lenders. The maximum amount of the Credit Facility is \$2.5 billion. Borrowings under the Credit Facility are subject to borrowing base limitations based on the collateral value of the Company's proved properties and commodity hedge positions and are subject to regular semiannual redeterminations. Effective August 29, 2013, the borrowing base was increased to \$2.0 billion (from \$1.75 billion at June 30, 2013) and lender commitments to \$1.75 billion (from \$1.45 billion at June 30, 2013). Lender commitments can be increased to the full amount of the borrowing base upon approval of the lenders. The next redetermination of the borrowing base is scheduled to occur in April 2014. The maturity date of the Credit Facility is May 12, 2016.

The Credit Facility is secured by mortgages on substantially all of the Company's properties and guarantees from the Company's operating subsidiaries. The Credit Facility contains certain covenants, including restrictions on indebtedness and dividends, and requirements with respect to working capital and interest coverage 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 Company was in compliance with all of the financial covenants under the Credit Facility as of December 31, 2012 and June 30, 2013.

As of June 30, 2013, the Company had an outstanding balance under the Credit Facility of \$960 million, with a weighted average interest rate of 2.1%, and outstanding letters of credit of approximately \$32 million. As of December 31, 2012, the Company had an outstanding balance under the Credit Facility of \$217 million, with a weighted average interest rate of 1.91%, and outstanding letters of credit of approximately \$43 million. Commitment fees on the unused portion of the Credit Facility are due quarterly at rates ranging from 0.375% to 0.50% of the unused facility based on utilization.

(b) 9.375% Senior Notes Due 2017

On November 17, 2009 Antero Finance issued \$375 million of 9.375% senior notes due December 1, 2017 at a discount of \$2.6 million. In January 2010, the Company issued an additional \$150 million of the same series of 9.375% senior notes at a premium of \$6.0 million. The notes are unsecured and effectively subordinated to the Company's Credit Facility to the extent of the value of the collateral securing the Credit Facility. The notes are guaranteed on a full and unconditional basis and joint and severally by Antero Resources LLC, all of its wholly owned subsidiaries (other than Antero Finance), and certain of its future restricted subsidiaries. Interest on the notes is payable on June 1 and December 1 of each year. Antero Finance may redeem all or part of the notes at any time on or after December 1, 2013 at redemption prices ranging from 104.688% on or after December 1, 2013 to 100.00% on or after December 1, 2015. At any time prior to December 1, 2013, Antero Finance 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, Antero Finance may be required to offer to purchase notes from the holders.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2012 and June 30, 2013

(Unaudited)

(4) Long-term Debt (Continued)

(c) 7.25% Senior Notes Due 2019

On August 1, 2011, Antero Finance issued \$400 million of 7.25% senior notes due August 1, 2019 at par. The notes are unsecured and effectively subordinated to the Company's Credit Facility to the extent of the value of the collateral securing the Credit Facility. The notes rank pari passu to the existing 9.375% senior notes. The notes are guaranteed on a senior unsecured basis by Antero Resources LLC, all of its wholly owned subsidiaries (other than Antero Finance), and certain of its future restricted subsidiaries. Interest on the notes is payable on August 1 and February 1 of each year. Antero Finance may redeem all or part of the notes at any time on or after August 1, 2014 at redemption prices ranging from 105.438% on or after August 1, 2014 to 100.00% on or after August 1, 2017. In addition, on or before August 1, 2014, Antero Finance 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 107.25% of the principal amount of the notes, plus accrued interest. At any time prior to August 1, 2014, Antero Finance may 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 and accrued interest. If Antero Resources LLC undergoes a change of control, the note holders will have the right to require Antero Finance to repurchase all or a portion of the notes at a price equal to 101% of the principal amount of the notes, plus accrued interest.

(d) 6.00% Senior Notes Due 2020

On November 19, 2012, Antero Finance issued \$300 million of 6.00% senior notes due December 1, 2020 at par. In a subsequent transaction, on February 4, 2013 Antero Finance issued an additional \$225 million of the 6.00% notes at 103% of par. The notes are unsecured and effectively subordinated to the Company's Credit Facility to the extent of the value of the collateral securing the Credit Facility. The notes rank pari passu to the existing 9.375% and 7.25% senior notes. The notes are guaranteed on a senior unsecured basis by Antero Resources LLC, all of its wholly owned subsidiaries (other than Antero Finance), and certain of its future restricted subsidiaries. Interest on the notes is payable on June 1 and December 1 of each year. Antero Finance may redeem all or part of the notes at any time on or after December 1, 2015 at redemption prices ranging from 104.500% on or after December 1, 2015 to 100.00% on or after December 1, 2018. In addition, on or before December 1, 2015, Antero Finance 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 106.00% of the principal amount of the notes, plus accrued interest. At any time prior to December 1, 2015, Antero Finance may 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 and accrued interest. If a change of control (as defined in the bond indenture) occurs at any time prior to January 1, 2014, Antero Finance may, at its option, redeem all, but not less than all, of the notes at a redemption price equal to 110% of the principal amount of the notes, plus accrued interest. If Antero Resources LLC undergoes a change of control, the note holders will have the right to require Antero Finance to repurchase all or a portion of the notes at a price equal to 101% of the principal amount of the notes, plus accrued interest.

ANTERO RESOURCES LLC AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Continued)****December 31, 2012 and June 30, 2013****(Unaudited)****(4) Long-term Debt (Continued)****(e) 9.00% Senior Note**

The Company assumed a \$25 million unsecured note payable in the business acquisition consummated on December 1, 2010. The note bears interest at 9% and is due December 1, 2013.

(f) Treasury Management Facility

The Company has a stand-alone revolving note with a lender under the Credit Facility which provides for up to \$25 million of cash management obligations in order to facilitate the Company's daily treasury management. Borrowings under the revolving note are secured by the collateral for the revolving credit facility. Borrowings under the facility bear interest at the lender's prime rate plus 1.0%. The note matures on June 1, 2014. At December 31, 2012 and June 30, 2013, there were no outstanding borrowings under this facility.

(5) Ownership Structure

At December 31, 2012 and June 30, 2013, the outstanding units in Antero Resources LLC are summarized as follows:

	Units authorized and issued
Class I units	107,281,058
Class A and B units	40,007,463
Class A and B profits units	19,726,873
	<u>167,015,394</u>

None of the three classes of outstanding units are entitled to current cash distributions or are convertible into indebtedness. The Company has no obligation to repurchase these units at the election of the unitholders.

In the event of a distribution from Antero Resources LLC, amounts available for distribution are distributed according to a formula set forth in the Company's limited liability company agreement that takes into account the relative priority of the various classes of units outstanding. In the event of a distribution due to the disposition of an individual Antero Entity, a portion of the proceeds is allocated to the employees of the Company based on a requisite return financial threshold. In general, distributions are made first to holders of the Class I units until they have received their investment amount and an 8% special allocation and then, as a group, to the holders of all classes of units together. The Class I units participate on a pro rata basis with the other classes of units in funds available for distributions in excess of the Class I unit investment and special allocation amounts.

At December 31, 2012 and June 30, 2013, the Class I units had an aggregate liquidation priority, including the special allocation of 8% per annum, of \$2.191 billion and \$2.279 billion, respectively.

ANTERO RESOURCES LLC AND SUBSIDIARIES**Notes to Condensed Consolidated Financial Statements (Continued)****December 31, 2012 and June 30, 2013****(Unaudited)****(6) Financial Instruments**

The carrying values of trade receivables, trade payables, and the Credit Facility at December 31, 2012 and June 30, 2013 approximated market value. The carrying value of the Credit Facility at December 31, 2012 and June 30, 2013 approximated fair value because the variable interest rates are reflective of current market conditions. Based on Level 2 market data, the fair value of the Company's senior notes was approximately \$1.3 billion and \$1.5 billion at December 31, 2012 and June 30, 2013, respectively.

(7) Asset Retirement Obligations

The following is a reconciliation of the Company's asset retirement obligations for the six months ended June 30, 2013 (in thousands):

Asset retirement obligations—beginning of period	\$ 10,552
Obligations incurred	44
Accretion expense	531
Asset retirement obligations—end of period	<u>\$ 11,127</u>

(8) Derivative Instruments and Risk Management Activities**(a) Commodity Derivatives**

The Company 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 six months ended June 30, 2012 and 2013, 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 have not been designated as hedges for accounting purposes; therefore, all gains and losses were recognized in income currently.

The Company has no collateral from any counterparties. All but one of the Company's commodity derivative positions are with institutions that have a position in our Credit Facility and are secured by the collateral pledged on the Credit Facility and cross default provisions between the Credit Facility and the derivative instruments. At June 30, 2013, there were no past due receivables from or payables to any of our counterparties.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2012 and June 30, 2013

(Unaudited)

(8) Derivative Instruments and Risk Management Activities (Continued)

As of June 30, 2013, the Company's positions in fixed price natural gas and oil swaps from July 1, 2013 through December 31, 2018 are summarized in the following table:

	<u>MMbtu/day</u>	<u>Bbls/day</u>	<u>Price</u>
Year ending December 31, 2013:			
CGTAP	260,921	—	\$ 4.48
Dominion South	191,075	—	4.79
NYMEX-WTI	—	300	90.30
2013 Total	<u>451,996</u>	<u>300</u>	
Year ending December 31, 2014:			
CGLA	10,000		\$ 3.87
CGTAP	210,000		5.11
Dominion South	160,000		5.15
2014 Total	<u>380,000</u>		
Year ending December 31, 2015:			
CGLA	40,000		\$ 4.00
CGTAP	120,000		5.01
Dominion South	230,000		5.60
2015 Total	<u>390,000</u>		
Year ending December 31, 2016:			
CGLA	170,000		\$ 4.09
CGTAP	60,000		4.91
Dominion South	272,500		5.35
NYMEX	20,000		4.39
2016 Total	<u>522,500</u>		
Year ending December 31, 2017:			
CGLA	420,000		\$ 4.27
NYMEX	140,000		4.53
CCG	70,000		4.57
2017 Total	<u>630,000</u>		
Year ending December 31, 2018:			
NYMEX	430,000		\$ 4.78

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2012 and June 30, 2013

(Unaudited)

(8) Derivative Instruments and Risk Management Activities (Continued)

(b) Summary

The following is a summary of the fair values of our derivative instruments, which are not designated as hedges for accounting purposes and where such values are recorded in the consolidated balance sheets as of December 31, 2012 and June 30, 2013 (in thousands):

	December 31, 2012		June 30, 2013	
	Balance sheet location	Fair value	Balance sheet location	Fair value
Asset derivatives not designated as hedges for accounting purposes:				
Commodity contracts	Current assets	\$ 160,579	Current assets	\$ 205,221
Commodity contracts	Long-term assets	371,436	Long-term assets	388,694
Total asset derivatives		<u>532,015</u>		<u>593,915</u>
Liability derivatives not designated as hedges for accounting purposes:				
Commodity contracts	Current liabilities	—	Current liabilities	264
	Long-term liabilities	—	Long-term liabilities	371
Net asset value of derivatives		<u>\$ 532,015</u>		<u>\$ 593,280</u>

The following is a summary of realized and unrealized gains (losses) on derivative instruments and where such values are recorded in the consolidated statements of operations for the three months ended and six months ended June 30, 2012 and 2013 (in thousands):

	Statement of operations location	Three months ended June 30		Six months ended June 30	
		2012	2013	2012	2013
Realized gains on commodity contracts	Revenue	\$ 49,864	14,146	96,716	62,277
Unrealized gains (losses) on commodity contracts	Revenue	(55,904)	181,337	114,498	61,265
Realized gains on commodity contracts	Discontinued operations	32,647	—	65,874	—
Unrealized losses on commodity contracts	Discontinued operations	(33,197)	—	(636)	—
Total gains (losses) on commodity contracts		<u>\$ (6,590)</u>	<u>195,483</u>	<u>276,452</u>	<u>123,542</u>

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2012 and June 30, 2013

(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 described in note 1 at June 30, 2013 (in thousands):

Description	Fair value measurements using			Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Net derivatives asset:				
Fixed price commodity swaps	\$ —	593,280	—	593,280

The following tables present the gross amounts of recognized derivative assets and liabilities, the amounts offset under netting arrangements with counterparties, and the resulting net amounts presented in the condensed consolidated balance sheets for the periods presented, all at fair value (in thousands):

	December 31, 2012			June 30, 2013		
	Gross amounts of recognized assets	Gross amounts offset on balance sheet	Net amounts of assets on balance sheet	Gross amounts of recognized assets	Gross amounts offset on balance sheet	Net amounts of assets (liabilities) on balance sheet
Commodity derivative assets	\$ 597,359	(65,344)	532,015	656,696	(62,781)	593,915
Commodity derivative liabilities	—	—	—	1,713	(2,348)	(635)

(9) Sale of Appalachian Gathering Assets

On March 26, 2012, the Company closed the sale of a portion of its Marcellus Shale gathering system assets along with exclusive rights to gather the Company's gas for a 20-year period within an area of dedication (AOD) to a joint venture owned by Crestwood Midstream Partners and Crestwood Holdings Partners LLC (together Crestwood) for \$375 million (subject to customary purchase price adjustments). The sale included approximately 25 miles of low pressure pipeline systems and gathering rights on 104,000 net acres held by the Company within a 250,000 acre AOD and had an effective date of January 1, 2012. Other third-party producers will also have access to the Crestwood system. During the first seven years of the contract, the Company is committed to deliver minimum volumes into the gathering systems, with certain carryback and carryforward adjustments for overages or deficiencies. The Company can earn up to an additional \$40 million of sale proceeds over a period of three years from the date of the sale if it meets certain volume thresholds. Crestwood is obligated to incur all future capital costs to build out gathering systems and compression facilities within the AOD to connect the Company's wells as it executes its drilling program and has assumed the various risks and rewards of the system build-out and operations. Because the Company has not retained the substantial risks and rewards of ownership associated with the gathering rights and systems transferred to

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)

December 31, 2012 and June 30, 2013

(Unaudited)

(9) Sale of Appalachian Gathering Assets (Continued)

Crestwood, a gain of approximately \$291 million on the sale of the gathering system and rights was recognized during the first quarter of 2012.

(10) Contingencies

The Company is party to various legal proceedings and claims in the ordinary course of its business. The Company believes certain of these matters will be covered by insurance and that the outcome of other matters will not have a material adverse effect on its consolidated financial position, results of operations, or liquidity.

In March 2011, the Company received orders for compliance from the U.S. Environmental Protection Agency relating to certain of our activities in West Virginia. The orders allege that certain of the Company's operations at several well sites are not in compliance with certain environmental regulations pertaining to unpermitted discharges of fill material into wetlands or waters that are potentially in violation of the Clean Water Act. The Company has responded to all pending orders and is actively cooperating with the relevant agencies. No fine or penalty relating to these matters has been proposed at this time, but the Company believes that these actions will result in monetary sanctions exceeding \$100,000. The Company is unable to estimate the total amount of such monetary sanctions or costs to remediate these locations in order to bring them into compliance with applicable environmental laws and regulations.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Members
Antero Resources LLC and Subsidiaries:

We have audited the accompanying consolidated balance sheets of Antero Resources LLC and subsidiaries as of December 31, 2011 and 2012, and the related consolidated statements of operations and comprehensive income (loss), members' equity, and cash flows for each of the years in the three-year period ended December 31, 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Antero Resources LLC and subsidiaries as of December 31, 2011 and 2012, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Denver, Colorado

March 15, 2013

ANTERO RESOURCES LLC AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2011 and 2012

(In thousands)

	<u>2011</u>	<u>2012</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,343	18,989
Accounts receivable—trade, net of allowance for doubtful accounts of \$182 and \$174 in 2011 and 2012, respectively	25,117	21,296
Notes receivable—short-term portion	7,000	4,555
Accrued revenue	35,986	46,669
Derivative instruments	248,550	160,579
Other	13,646	22,518
Total current assets	<u>333,642</u>	<u>274,606</u>
Property and equipment:		
Natural gas properties, at cost (successful efforts method):		
Unproved properties	834,255	1,243,237
Proved properties	2,497,306	1,689,132
Gathering systems and facilities	142,241	168,930
Other property and equipment	8,314	9,517
	<u>3,482,116</u>	<u>3,110,816</u>
Less accumulated depletion, depreciation, and amortization	<u>(601,702)</u>	<u>(173,343)</u>
Property and equipment, net	2,880,414	2,937,473
Derivative instruments	541,423	371,436
Notes receivable—long-term portion	5,111	2,667
Other assets, net	28,210	32,611
Total assets	<u>\$3,788,800</u>	<u>3,618,793</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 107,027	181,478
Accrued liabilities	37,955	61,161
Revenue distributions payable	34,768	46,037
Current portion of long-term debt	—	25,000
Deferred income tax liability	75,308	62,620
Total current liabilities	<u>255,058</u>	<u>376,296</u>
Long-term liabilities:		
Long-term debt	1,317,330	1,444,058
Deferred income tax liability	245,327	91,692
Other long-term liabilities	12,279	33,010
Total liabilities	<u>1,829,994</u>	<u>1,945,056</u>
Equity:		
Members' equity	1,460,947	1,460,947
Accumulated earnings	497,859	212,790
Total equity	<u>1,958,806</u>	<u>1,673,737</u>
Total liabilities and equity	<u>\$3,788,800</u>	<u>3,618,793</u>

See accompanying notes to consolidated financial statements.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Consolidated Statements of Operations and Comprehensive Income (Loss)

Years ended December 31, 2010, 2011 and 2012

(In thousands)

	2010	2011	2012
Revenue:			
Natural gas sales	\$ 47,392	195,116	259,743
Natural gas liquids sales	—	—	3,719
Oil sales	39	173	1,520
Realized and unrealized gains on commodity derivative instruments (including unrealized gains of \$62,536, \$446,120 and \$1,055 in 2010, 2011, and 2012, respectively)	77,599	496,064	179,546
Gain on sale of gathering system	—	—	291,190
Total revenue	125,030	691,353	735,718
Operating expenses:			
Lease operating expenses	1,158	4,608	6,243
Gathering, compression, and transportation	9,237	37,315	91,094
Production taxes	2,885	11,915	20,210
Exploration expenses	2,350	4,034	14,675
Impairment of unproved properties	6,076	4,664	12,070
Depletion, depreciation, and amortization	18,522	55,716	102,026
Accretion of asset retirement obligations	11	76	101
Expenses related to business acquisition	2,544	—	—
General and administrative	21,952	33,342	45,284
Loss on sale of assets	—	8,700	—
Total operating expenses	64,735	160,370	291,703
Operating income	60,295	530,983	444,015
Other expense:			
Interest expense	(56,463)	(74,404)	(97,510)
Realized and unrealized losses on interest derivative instruments, net (including unrealized gains of \$6,875 and \$4,212 in 2010 and 2011, respectively)	(2,677)	(94)	—
Total other expense	(59,140)	(74,498)	(97,510)
Income from continuing operations before income taxes and discontinued operations	1,155	456,485	346,505
Provision for income taxes	(939)	(185,297)	(121,229)
Income from continuing operations	216	271,188	225,276
Discontinued operations:			
Income (loss) from results of operations and sale of discontinued operations, net of income tax (expense) benefit of \$(29,070), \$(45,155), and \$272,553 in 2010, 2011, and 2012, respectively	228,412	121,490	(510,345)
Net income (loss) and comprehensive income (loss) attributable to Antero equity owners	\$ 228,628	392,678	(285,069)
Pro forma information			
Pro forma earnings (loss) per common share—basic			
Continuing operations	\$	\$	\$
Discontinued operations	\$	\$	\$
Net income (loss)	\$	\$	\$
Pro forma earnings (loss) per common share—diluted			
Continuing operations	\$	\$	\$
Discontinued operations	\$	\$	\$
Net income (loss)	\$	\$	\$
Pro forma weighted average number of shares outstanding:			
Basic			
Diluted			

See accompanying notes to consolidated financial statements.

ANTERO RESOURCES LLC AND SUBSIDIARIES**Consolidated Statements of Equity****Years ended December 31, 2010, 2011, and 2012****(In thousands)**

	<u>Members' equity</u>	<u>Accumulated deficit</u>	<u>Total Antero equity</u>	<u>Noncontrolling interest</u>	<u>Total equity</u>
Balances, December 31, 2009	\$ 1,392,833	(123,447)	1,269,386	29,721	1,299,107
Issuance of member units in business acquisition	97,000	—	97,000	—	97,000
Equity issuance costs	(27)	—	(27)	—	(27)
Sale of midstream subsidiary	—	—	—	(31,285)	(31,285)
Net income and comprehensive income	—	228,628	228,628	1,564	230,192
Balances, December 31, 2010	1,489,806	105,181	1,594,987	—	1,594,987
Distribution to members	(28,859)	—	(28,859)	—	(28,859)
Net income and comprehensive income	—	392,678	392,678	—	392,678
Balances, December 31, 2011	1,460,947	497,859	1,958,806	—	1,958,806
Net income (loss) and comprehensive income (loss)	—	(285,069)	(285,069)	—	(285,069)
Balances, December 31, 2012	<u>\$ 1,460,947</u>	<u>212,790</u>	<u>1,673,737</u>	<u>—</u>	<u>1,673,737</u>

See accompanying notes to consolidated financial statements.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2010, 2011, and 2012

(In thousands)

	2010	2011	2012
Cash flows from operating activities:			
Net income (loss)	\$ 228,628	392,678	(285,069)
Adjustment to reconcile net income (loss) to net cash provided by operating activities:			
Depletion, depreciation, amortization, and depletion	18,533	55,792	102,127
Impairment of unproved properties	6,076	4,664	12,070
Unrealized gains on derivative instruments, net	(69,411)	(450,332)	(1,055)
Deferred income tax expense	939	185,297	106,229
(Gain) loss on sale of assets	—	8,700	(291,190)
Loss (gain) on sale of discontinued operations	(147,559)	—	795,945
Depletion, depreciation, amortization, impairment of unproved properties, and dry hole expense—discontinued operations	164,993	126,041	90,096
Unrealized (gains) losses on derivative instruments, net—discontinued operations	(108,035)	(113,476)	45,808
Deferred income tax expense (benefit)—discontinued operations	29,070	45,155	(272,553)
Other	5,255	3,479	4,960
Changes in assets and liabilities:			
Accounts receivable	(2,306)	3,854	5,511
Accrued revenue	(7,408)	(11,118)	(10,683)
Other current assets	261	(4,528)	(8,882)
Accounts payable	9,779	(1,875)	(2,117)
Accrued liabilities	(2,771)	17,124	14,790
Revenue distributions payable	1,747	4,852	11,268
Other	—	—	15,000
Net cash provided by operating activities	<u>127,791</u>	<u>266,307</u>	<u>332,255</u>
Cash flows from investing activities:			
Additions to proved properties	—	(105,405)	(10,254)
Additions to unproved properties	(41,277)	(195,131)	(687,403)
Drilling costs	(299,926)	(527,710)	(839,151)
Additions to gathering systems and facilities	(47,124)	(72,837)	(142,294)
Additions to other property and equipment	(2,647)	(2,339)	(3,447)
(Increase) decrease in notes receivable	(2,000)	(10,111)	4,889
Increase in other assets	(556)	(3,095)	(3,707)
Proceeds from asset sales	258,918	15,379	1,217,876
Net assets of business acquired, net of cash of \$170	(96,060)	—	—
Net cash used in investing activities	<u>(230,672)</u>	<u>(901,249)</u>	<u>(463,491)</u>
Cash flows from financing activities:			
Issuance of senior notes	156,000	400,000	300,000
Borrowings (repayments) on bank credit facility, net	(42,080)	265,000	(148,000)
Payments of deferred financing costs	(10,459)	(6,691)	(5,926)
Distribution to members	—	(28,859)	—
Other	(2,261)	(153)	808
Net cash provided by financing activities	<u>101,200</u>	<u>629,297</u>	<u>146,882</u>
Net increase (decrease) in cash and cash equivalents	(1,681)	(5,645)	15,646
Cash and cash equivalents, beginning of period	10,669	8,988	3,343
Cash and cash equivalents, end of period	<u>\$ 8,988</u>	<u>3,343</u>	<u>18,989</u>
Supplemental disclosure of cash flow information:			
Cash paid during the period for interest	\$ 52,326	59,107	90,122
Supplemental disclosure of noncash investing activities:			
Changes in accounts payable for additions to properties, gathering systems and facilities	\$ 32,028	26,465	72,881

See accompanying notes to consolidated financial statements.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2010, 2011, and 2012

(1) Organization

Business and Organization

Antero Resources LLC, a limited liability company, and its consolidated operating subsidiaries (collectively referred to as the Company, we, or our) are engaged in the exploration for and the production of natural gas, natural gas liquids (NGLs), and oil onshore in the United States in 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, Ohio, and Pennsylvania. During 2012 we sold our Oklahoma Arkoma Basin properties and our Colorado Piceance Basin properties. We also have certain midstream gathering and pipeline operations which are ancillary to our interests in producing properties. Our corporate headquarters are in Denver, Colorado.

Our consolidated financial statements as of December 31, 2012 include the accounts of Antero Resources LLC, and its directly and indirectly owned subsidiaries. The subsidiaries include Antero Resources Appalachian Corporation and its wholly owned subsidiaries, Antero Resources Arkoma LLC (Antero Arkoma), Antero Resources Piceance LLC (Antero Piceance), Antero Resources Pipeline LLC (Antero Pipeline), Antero Resources Bluestone LLC, and Antero Resources Finance Corporation (Antero Finance) (collectively referred to as the Antero Entities). Subsequent to December 31, 2012 the Antero Arkoma, Antero Piceance, and Antero Pipeline LLCs were merged into Antero Resources Appalachian Corporation.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements include the accounts of Antero Resources LLC and its subsidiaries. All significant intercompany accounts and transactions have been eliminated.

As of the date these financial statements were filed with the Securities and Exchange Commission, the Company completed its evaluation of potential subsequent events for disclosure and no items other than the event described in Note 7 (d) requiring disclosure were identified.

(b) Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated 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 consolidated 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 cash flows from reserves, and impairment of oil and gas properties. Reserve estimates by their nature are inherently imprecise.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(2) Summary of Significant Accounting Policies (Continued)

(c) Risks and Uncertainties

Historically, the market for natural gas, NGLs, and oil 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.

(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 the successful efforts 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 and other internal 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 Company reviews exploration costs related to wells-in-progress at the end of each quarter and makes a determination based on known results of drilling at that time whether the costs should continue to be capitalized pending further well testing and results or charged to expense. 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 for impairment on a property-by-property basis, and any impairment in value is charged to expense. Impairment is assessed based on remaining lease terms, drilling results, reservoir performance, commodity price outlooks, and future plans to develop acreage. Other unproved properties are assessed for impairment on an aggregate basis. Unproved properties and the related costs are transferred to proved properties when reserves are discovered on or otherwise attributed to the property. 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. Impairment of unproved properties (including discontinued operations) for leases which have expired or are expected to expire was \$35.9 million, \$11.1 million, and \$13.0 million for the years ended December 31, 2010, 2011, and 2012, respectively.

The Company reviews its proved 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 properties to determine if the carrying amount is recoverable. If the carrying amount exceeds the

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(2) Summary of Significant Accounting Policies (Continued)

estimated undiscounted future cash flows, the Company reduces the carrying amount of the properties to their estimated fair value. The factors used to determine fair value include estimates of proved reserves, future commodity prices, cash flow from commodity hedges, future production estimates, anticipated capital expenditures, and a commensurate discount rate. There were no impairments of proved natural gas properties during the years ended December 31, 2010, 2011, and 2012.

At December 31, 2012, the Company did not have significant capitalized costs related to exploratory wells-in-progress which were pending determination of proved reserves. The Company had no significant costs which have been deferred for longer than one year pending proved reserves at December 31, 2012.

The provision for depreciation, depletion, and amortization of oil and gas properties (including discontinued operations) is calculated on a geological reservoir basis using the units-of-production method. Depreciation, depletion, and amortization expense for oil and gas properties was \$124.3 million, \$164.0 million, and \$181.7 million for the years ended December 31, 2010, 2011, and 2012, respectively.

(f) Inventories

Inventories consist of pipe and well equipment, and are stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

(g) Gathering Systems and Facilities

Gathering systems and compressors 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, 2010, 2011, and 2012, depreciation expense (including discontinued operations) for gathering systems and processing facilities was \$8.8 million, \$5.5 million, and \$7.4 million, respectively. A gain or loss is recognized upon the sale or disposal of property and equipment.

(h) Impairment of Long-Lived Assets Other than Oil and 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 for such assets have been recorded through December 31, 2012.

(i) Other Property and Equipment

Other property and equipment is depreciated using the straight-line method over estimated useful lives ranging from three to five years. For the years ended December 31, 2010, 2011, and 2012,

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(2) Summary of Significant Accounting Policies (Continued)

depreciation expense for other property and equipment was \$0.8 million, \$1.0 million, and \$1.7 million, respectively. A gain or loss is recognized upon the sale or disposal of property and equipment.

(j) Deferred Financing Costs

Deferred financing costs represent loan origination fees, initial purchasers' discounts, and other borrowing costs and are included in noncurrent other assets on the consolidated balance sheets. These costs are being amortized over the term of the related debt using the effective interest method. The Company charges interest expense for deferred financing costs remaining for debt facilities that have been retired prior to their maturity date. At December 31, 2012, the Company had \$28.1 million of unamortized deferred financing costs included in other long-term assets. The amounts amortized and the write-off of previously deferred debt issuance costs were \$4.1 million, \$3.8 million, and \$5.2 million for the years ended December 31, 2010, 2011, and 2012, respectively.

(k) 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. To the extent 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 is unable to satisfy its settlement obligation. The Company actively monitors the creditworthiness of counterparties and assesses the impact, if any, on its derivative position.

The Company records derivative instruments on the consolidated balance sheets as either an asset or liability measured at fair value and records changes in the fair value of derivatives in current earnings 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). Cash flows from the termination of commodity derivatives in conjunction with sales of oil and gas assets are included in the investing section of the statement of cash flows.

(l) Asset Retirement Obligations

The Company is obligated to dispose of certain long-lived assets upon their abandonment. The Company's asset retirement obligations (ARO) relate primarily to its obligation to plug and abandon oil and gas wells at the end of their life. The ARO is recorded at its estimated fair value, measured by reference to the expected future cash outflows required to satisfy the retirement obligation discounted at the Company's credit-adjusted, risk-free interest rate. Revisions to estimated ARO can result from changes in retirement cost estimates, revisions to estimated inflation rates, and changes in the estimated timing of abandonment. The fair value of the liability is added to the carrying amount of the associated asset, and this additional carrying amount is depreciated over the life of the asset. The liability is accreted at the end of each period through charges to operating expense. If the obligation is settled for an amount other than the carrying amount of the liability, we will recognize a gain or loss on settlement.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(2) Summary of Significant Accounting Policies (Continued)

The Company delivers natural gas through its gathering assets and may become obligated by regulatory requirements to remove certain facilities or perform other remediation upon retirement of these assets. However, the Company is not able to reasonably determine the fair value of the ARO since future dismantlement and removal dates are indeterminate. The Company does not have access to adequate forecasts that predict the timing of expected production for existing reserves on those fields in which the Company operates. In the absence of such information, the Company is not able to make a reasonable estimate of when future dismantlement and removal dates will occur and will continue to monitor regulatory requirements to remove its gathering 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, 2011 and 2012, the Company has not accrued a material amount for any environmental liabilities nor has it been fined or cited for any environmental violations that could have a material adverse effect on future capital expenditures or operating results of the Company.

(n) Natural Gas, NGL and Oil Revenues

Sales of natural gas, NGLs, and crude oil are recognized when the products are delivered to the purchaser and title transfers to the purchaser. Payment is generally received one month months after the sale has occurred. Variances between estimated sales and actual amounts received are recorded in the month payment is received and are not material. The Company recognizes natural gas revenues based on its entitlement share of natural gas that 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 natural gas revenues. At December 31, 2011 and 2012, the Company had no significant imbalance positions.

(o) 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.

ANTERO RESOURCES LLC AND SUBSIDIARIES**Notes to Consolidated Financial Statements (Continued)****December 31, 2010, 2011, and 2012****(2) Summary of Significant Accounting Policies (Continued)**

The Company's sales to major customers (purchases in excess of 10% of total sales) for the years ended December 31, 2010, 2011, and 2012 are as follows (including sales in discontinued operations):

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Company A	23%	28%	23%
Company B	13	17	13
Company C	11	12	10
All others	53	43	54
	<u>100%</u>	<u>100%</u>	<u>100%</u>

Although a substantial portion of production is purchased by these major customers, we do not believe the loss of any one or several customers would have a material adverse effect on our business, as other customers or markets would be accessible to us.

The Company is also exposed to credit risk on its commodity derivative portfolio. Any default by the counterparties to these derivative contracts when they become due would have a material adverse effect on our financial condition and results of operations. The fair value of our commodity derivative contracts of approximately \$532 million at December 31, 2012 includes the following values by bank counterparty: JP Morgan—\$94 million; BNP Paribas—\$124 million; Credit Suisse—\$150 million; Wells Fargo—\$86 million; Barclays—\$57 million; Deutsche Bank—\$11 million; and Union Bank—\$4 million. Additionally, contracts with Dominion Field Services account for \$6 million of the fair value. The estimated fair value of our commodity derivative assets has been risk adjusted using a discount rate based upon the respective published credit default swap rates at December 31, 2012 for each of the European and American banks. We believe that all of these institutions currently are acceptable credit risks.

The Company, at times, may have cash in banks in excess of federally insured amounts.

(p) Income Taxes

Antero Resources LLC and each of its operating subsidiaries file separate federal and state income tax returns. Antero Resources LLC is a partnership for income tax purposes and therefore is not subject to federal or state income taxes. The tax on the income of Antero Resources LLC is borne by the individual members through the allocation of taxable income.

The Company's operating subsidiaries recognize deferred tax assets and liabilities 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.

Unrecognized tax benefits represent potential future tax obligations for uncertain tax positions taken on previously filed tax returns that may not ultimately be sustained. The Company recognizes interest expense related to unrecognized tax benefits in interest expense and fines and penalties as income tax expense. The tax years 2009 through 2012 remain open to examination by the U.S. Internal

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(2) Summary of Significant Accounting Policies (Continued)

Revenue Service. The Company files tax returns with various state taxing authorities which remain open to examination for tax years 2008 through 2012.

(q) Fair Value Measures

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, clarifies the definition of fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This guidance also relates to all nonfinancial assets and liabilities that are not recognized or disclosed on a recurring basis (e.g., those measured at fair value in a business combination, the initial recognition of asset retirement obligations, and impairments of proved oil and gas properties, and other long-lived assets). 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. An asset or liability subject to the fair value requirements is categorized within the hierarchy based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. The highest priority (Level 1) is given to unadjusted quoted market prices in active markets for identical assets or liabilities, and the lowest priority (Level 3) is given to unobservable inputs. Level 2 inputs are data, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. 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 (vi) other relevant economic measures. The Company utilizes its counterparties to assess the reasonableness 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.

(r) Industry Segment and Geographic Information

We have evaluated how the Company is organized and managed and have identified one operating segment—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. All of our assets are located in the United States and all of our revenues are attributable to customers located in the United States.

(s) Guarantees

In November 2009 and January 2010, an indirect wholly owned finance subsidiary of Antero Resources LLC, Antero Finance, issued \$375 million and \$150 million, respectively, of 9.375% senior notes due December 1, 2017. In August 2011, Antero Finance issued \$400 million of 7.25% senior notes due August 1, 2019. In November 2012 and February 2013, Antero Finance issued \$300 million and \$225 million of 6.00% senior notes due December 1, 2020. For purposes of this footnote, we

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(2) Summary of Significant Accounting Policies (Continued)

collectively refer to the 2017 senior notes, the 2019 senior notes and the 2020 senior notes as the "senior notes."

Antero Resources LLC, as the parent company (for purposes of this footnote only, the Parent Company), has no independent assets or operations. Antero Finance is a 100% indirectly owned finance subsidiary of Parent Company. The senior notes are each guaranteed on a senior unsecured basis by Parent Company and all of Parent Company's wholly owned subsidiaries (other than Antero Finance) and certain of its future restricted subsidiaries. The guarantees are full and unconditional and joint and several. The guarantor subsidiaries may be released from those guarantees upon the occurrence of certain events, including (i) the designation of that subsidiary guarantor as an unrestricted subsidiary; (ii) the release or discharge of any guarantee or indebtedness that resulted in the creation of the guarantee of the senior notes by such subsidiary guarantor; or (iii) the sale or other disposition, including the sale of substantially all of the assets, of that subsidiary guarantor. There are no significant restrictions on Antero Finance's ability to obtain funds from the Parent Company or the subsidiary guarantors by dividend or loan, except those imposed by applicable law. However, the indentures governing the senior notes and the Credit Facility agreement contain significant restrictions on the ability of Antero Finance or the subsidiary guarantors to make distributions to the Parent Company. Finally, the Parent Company's wholly owned subsidiaries do not have restricted assets that exceed 25% of net assets as of the most recent fiscal year end that may not be transferred to the Parent Company in the form of loans, advances or cash dividends by the subsidiaries without the consent of a third party.

(3) Sale of Piceance and Arkoma Properties—Discontinued Operations

On December 21, 2012 the Company completed the sale of its Piceance Basin assets. Proceeds from the sale of \$316 million represent the purchase price of \$325 million, adjusted for expenses of the sale and estimated income, expenses, and capital costs related to the Piceance Basin properties from the October 1, 2012 effective date of the sale through December 21, 2012. The Company had a loss of \$364 million on the sale of the Piceance Basin assets. The purchaser also assumed all of the Company's Rocky Mountain firm transportation obligations. Because of the sale of the Piceance Basin assets, the Company also liquidated its hedge positions related to the Piceance Basin and realized additional proceeds from these transactions of approximately \$100 million.

On June 29, 2012 the Company completed its sale of its Arkoma Basin assets and the commodity hedges associated with the Arkoma assets. Proceeds from the sale of \$427 million represent the purchase price of \$445 million adjusted for expenses of the sale and estimated income, expenses, and capital costs from the effective date of the sale through the closing date of June 29, 2012. The Company had a loss of \$432 million on the sale of the Arkoma Basin assets. The Company's Arkoma Basin midstream operations, which were sold on November 5, 2010, are also included in discontinued operations through the date of the sale. The Company realized a gain in 2010 of \$148 million on the sale of those midstream operations.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(3) Sale of Piceance and Arkoma Properties—Discontinued Operations (Continued)

Results of operations and the loss on the sale of the Piceance Basin and Arkoma Basin assets are shown as discontinued operations on the accompanying Consolidated Statement of Operations and Comprehensive Income (Loss) and are comprised of the following (in thousands):

	Year ended December 31		
	2010	2011	2012
Sales of oil, natural gas, and natural gas liquids	\$ 159,031	196,705	125,396
Realized gains on commodity derivative instruments	58,650	66,654	92,166
Unrealized gains (losses) on commodity derivative instruments	108,035	113,476	(45,808)
Gas gathering and processing revenue	20,554	—	—
Gain on sale of midstream assets	147,559	—	—
Total revenues	493,829	376,835	171,754
Lease operating expenses	24,353	26,037	19,901
Gathering, compression, and transportation	36,572	50,453	45,089
Production taxes	5,892	6,307	2,967
Exploration expenses	22,444	5,842	664
Impairment of unproved properties	29,783	6,387	962
Depletion, depreciation, and amortization	115,433	114,805	88,720
Accretion of asset retirement obligations	306	359	404
Loss on sale of assets	—	—	795,945
Total expenses	234,783	210,190	954,652
Income (loss) from discontinued operations before income taxes	259,046	166,645	(782,898)
Income tax (expense) benefit	(29,070)	(45,155)	272,553
Net income (loss)	229,976	121,490	(510,345)
Noncontrolling interest in net income of consolidated subsidiary	(1,564)	—	—
Net income (loss) from discontinued operations attributable to Antero equity owners	\$ 228,412	121,490	(510,345)

(4) Sale of Appalachian Gathering Assets

On March 26, 2012, the Company closed the sale of a portion of its Marcellus Shale gathering system assets along with exclusive rights to gather the Company's gas for a 20-year period within an area of dedication (AOD) to a joint venture owned by Crestwood Midstream Partners and Crestwood Holdings Partners LLC (together Crestwood) for \$375 million (subject to customary purchase price adjustments). The sale included approximately 25 miles of low pressure pipeline systems and gathering rights on 104,000 net acres held by the Company within a 250,000 acre AOD and had an effective date of January 1, 2012. Other third-party producers will also have access to the Crestwood system. During the first seven years of the contract, the Company is committed to deliver minimum annual volumes into the gathering systems, with certain carryback and carryforward adjustments for overages or deficiencies. The Company can earn up to an additional \$40 million of sale proceeds over the next three years if it meets certain volume thresholds. Crestwood is obligated to incur all future capital costs to build out gathering systems and compression facilities within the AOD to connect the Company's

ANTERO RESOURCES LLC AND SUBSIDIARIES**Notes to Consolidated Financial Statements (Continued)****December 31, 2010, 2011, and 2012****(4) Sale of Appalachian Gathering Assets (Continued)**

wells as it executes its drilling program and has assumed the various risks and rewards of the system build-out and operations. Because the Company has not retained the substantial risks and rewards of ownership associated with the gathering rights and systems transferred to Crestwood, it has recognized a gain on the sale of the gathering system and gathering rights of approximately \$291 million.

(5) Bluestone Acquisition

On December 1, 2010, the Company, through a newly formed subsidiary of Antero Appalachian, Antero Resources Bluestone LLC, acquired 100% of the interests in Bluestone Energy Partners (BEP), a general partnership which owned approximately 96 producing wells and 37,250 acres of unproved leaseholds in the Appalachian Basin.

The following table summarizes the consideration paid for the BEP partnership interests and the amounts of the assets acquired and liabilities assumed (in millions).

Consideration:	
Cash	\$ 96.2
I-5 and B-6 units (3,814,392 each) in Antero Resources LLC	97.0
Total fair value of consideration transferred	<u>\$ 193.2</u>
Acquisition related costs (included in operating expenses in the Company's statement of operations for the year ended December 31, 2011)	\$ 2.5
Fair values of identifiable assets acquired and liabilities assumed:	
Current assets	\$ 17.2
Oil and gas properties:	
Producing properties	50.7
Undeveloped leases	206.3
Other	4.3
Other long-term assets	9.3
Current liabilities	(7.0)
Long term liabilities	(26.2)
Deferred tax liabilities	(61.4)
Net assets acquired	<u>\$ 193.2</u>

The fair value of property and equipment and other long-term assets was determined using Level 3 inputs. Deferred tax liabilities were calculated by applying the estimated effective tax rate to the difference between the fair value of the assets acquired and their tax basis. The Company's I-5 and B-6 units, representing additional membership interests issued as part of the consideration, were recorded based on their estimated fair value of \$97.0 million on the acquisition date, using Level 3 inputs. There was no contingent consideration given as part of the purchase price.

(6) Notes Receivable

At December 31, 2011 and 2012 the Company had notes receivable from a drilling contractor of \$12.1 million and \$7.2 million, respectively. The notes result from the Company's advances to the drilling contractor to construct drilling rigs to be used by the contractor to fulfill long-term drilling

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(6) Notes Receivable (Continued)

contracts with the Company. The notes are noninterest bearing and are repayable over the term of the service agreements with the drilling contractor.

(7) Long-term Debt

The Company's had long-term debt as follows at December 31, 2011 and 2012 (in thousands):

	<u>2011</u>	<u>2012</u>
Bank credit facility (a)	\$ 365,000	217,000
9.375% senior notes due 2017 (b)	525,000	525,000
7.25% senior notes due 2019 (c)	400,000	400,000
6.00% senior notes due 2020 (d)	—	300,000
9.00% senior note due 2013 (e)	25,000	25,000
Net unamortized premium	2,330	2,058
	<u>1,317,330</u>	<u>1,469,058</u>
Less amounts due within one year	—	25,000
	<u>\$ 1,317,330</u>	<u>1,444,058</u>

(a) Bank Credit Facility

The Company has a senior secured revolving bank credit facility (the Credit Facility) with a consortium of bank lenders. The maximum amount of the Credit Facility is \$2.5 billion. Borrowings under the Credit Facility are subject to borrowing base limitations based on the collateral value of our proved properties and commodity hedge positions and are subject to regular semiannual redeterminations. The next redetermination of the borrowing base is scheduled to occur in May 2013. After giving effect to the issuance of the 6.00% senior notes due 2020 in November 2012 and February 2013, the borrowing base was \$1.22 billion and lender commitments totaled \$700 million. Lender commitments can be increased to the full \$1.22 billion borrowing base upon approval of the lending bank group. The maturity date of the Credit Facility is May 12, 2016.

The Credit Facility is secured by mortgages on substantially all of the Company's properties and guarantees from the Company's operating subsidiaries. The Credit Facility contains certain covenants, including restrictions on indebtedness and dividends, and requirements with respect to working capital and interest coverage 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 Company was in compliance with all of the financial debt covenants under the Credit Facility as of December 31, 2011 and 2012.

As of December 31, 2012, the Company had an outstanding balance under the Credit Facility of \$217 million, with a weighted average interest rate of 1.91%, and outstanding letters of credit of approximately \$43 million. As of December 31, 2011, the Company had an outstanding balance under the Credit Facility of \$365 million, with a weighted average interest rate of 2.12%, and outstanding letters of credit of approximately \$21 million. Commitment fees on the unused portion of the Credit Facility are due quarterly at rates ranging from 0.375% to 0.50% of the unused facility based on utilization.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(7) Long-term Debt (Continued)

(b) 9.375% Senior Notes Due 2017

On November 17, 2009, an indirect wholly owned finance subsidiary of Antero Resources LLC, Antero Finance, issued \$375 million of 9.375% senior notes due December 1, 2017 at a discount of \$2.6 million. In January 2010, the Company issued an additional \$150 million of the same series of 9.375% senior notes at a premium of \$6.0 million. The notes are unsecured and effectively subordinated to the Company's Credit Facility to the extent of the value of the collateral securing the Credit Facility. The notes are guaranteed on a full and unconditional basis and joint and severally by Antero Resources LLC, all of its wholly owned subsidiaries (other than Antero Finance), and certain of its future restricted subsidiaries. Antero Resources LLC has no independent assets or operations. Interest on the notes is payable on June 1 and December 1 of each year. Antero Finance may redeem all or part of the notes at any time on or after December 1, 2013 at redemption prices ranging from 104.688% on or after December 1, 2013 to 100.00% on or after December 1, 2015. At any time prior to December 1, 2013, Antero Finance 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, Antero Finance may be required to offer to purchase notes from the holders. Antero Resources LLC, the stand-alone parent entity, has insignificant independent assets and no operations. There are no restrictions on the Company's ability to obtain cash dividends or other distributions of funds from its subsidiaries, except those imposed by applicable law.

(c) 7.25% Senior Notes Due 2019

On August 1, 2011, Antero Finance issued \$400 million of 7.25% senior notes due August 1, 2019 at par. The notes are unsecured and effectively subordinated to the Company's Credit Facility to the extent of the value of the collateral securing the Credit Facility. The notes rank pari passu to the existing 9.375% senior notes. The notes are guaranteed on a senior unsecured basis by Antero Resources LLC, all of its wholly owned subsidiaries (other than Antero Finance), and certain of its future restricted subsidiaries. Interest on the notes is payable on August 1 and February 1 of each year. Antero Finance may redeem all or part of the notes at any time on or after August 1, 2014 at redemption prices ranging from 105.438% on or after August 1, 2014 to 100.00% on or after August 1, 2017. In addition, on or before August 1, 2014, Antero Finance 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 107.25% of the principal amount of the notes, plus accrued interest. At any time prior to August 1, 2014, Antero Finance may 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 and accrued interest. If Antero Resources LLC undergoes a change of control, the note holders will have the right to require Antero Finance to repurchase all or a portion of the notes at a price equal to 101% of the principal amount of the notes, plus accrued interest.

(d) 6.00% Senior Notes Due 2020

On November 19, 2012, Antero Finance issued \$300 million of 6.00% senior notes due December 1, 2020 at par. In a subsequent transaction, on February 4, 2013 Antero Finance issued an additional \$225 million of the 6.00% notes at 103% of par. The notes are unsecured and effectively subordinated to the Company's Credit Facility to the extent of the value of the collateral securing the

ANTERO RESOURCES LLC AND SUBSIDIARIES**Notes to Consolidated Financial Statements (Continued)****December 31, 2010, 2011, and 2012****(7) Long-term Debt (Continued)**

Credit Facility. The notes rank pari passu to the existing 9.375% and 7.25% senior notes. The notes are guaranteed on a senior unsecured basis by Antero Resources LLC, all of its wholly owned subsidiaries (other than Antero Finance), and certain of its future restricted subsidiaries. Interest on the notes is payable on June 1 and December 1 of each year, commencing on June 1, 2013. Antero Finance may redeem all or part of the notes at any time on or after December 1, 2015 at redemption prices ranging from 104.500% on or after December 1, 2015 to 100.00% on or after December 1, 2018. In addition, on or before December 1, 2015, Antero Finance 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 106.00% of the principal amount of the notes, plus accrued interest. At any time prior to December 1, 2015, Antero Finance may 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 and accrued interest. If a change of control (as defined in the bond indenture) occurs at any time prior to January 1, 2014, Antero Finance may, at its option, redeem all, but not less than all, of the notes at a redemption price equal to 110% of the principal amount of the notes, plus accrued interest. If Antero Resources LLC undergoes a change of control, the note holders will have the right to require Antero Finance to repurchase all or a portion of the notes at a price equal to 101% of the principal amount of the notes, plus accrued interest.

(e) 9.00% Senior Note

The Company assumed a \$25 million unsecured note payable in the business acquisition consummated on December 1, 2010. The note bears interest at 9% and is due December 1, 2013.

(f) Treasury Management Facility

The Company has a stand-alone revolving note with a lender under the Credit Facility which provides for up to \$25.0 million of cash management obligations in order to facilitate the Company's daily treasury management. Borrowings under the revolving note are secured by the collateral for the revolving credit facility. Borrowings under the facility bear interest at the lender's prime rate plus 1.0%. The note matures on June 1, 2013. At December 31, 2012, there were no outstanding borrowings under this facility.

(8) Asset Retirement Obligations

The following is a reconciliation of the Company's asset retirement obligations for the years ended December 31, 2011 and 2012 (in thousands).

	<u>2011</u>	<u>2012</u>
Asset retirement obligations—beginning of year	\$ 5,374	6,715
Obligations incurred for wells drilled or on properties acquired	906	9,440
Obligations related to assets sold	—	(6,107)
Accretion expense	435	504
Asset retirement obligations—end of year	<u>\$ 6,715</u>	<u>10,552</u>

ANTERO RESOURCES LLC AND SUBSIDIARIES**Notes to Consolidated Financial Statements (Continued)****December 31, 2010, 2011, and 2012****(9) Ownership Structure**

At December 31, 2012, the outstanding units in Antero Resources LLC are summarized as follows:

	Units authorized and issued
Class I units	107,281,058
Class A and B units	40,007,463
Class A and B profit units	19,726,873
	<u>167,015,394</u>

None of the three classes of outstanding units are entitled to current cash distributions, except as provided in the limited liability operating agreement, nor are they convertible into indebtedness. The Company has no obligation to repurchase these units at the election of the unit holders.

Antero Resources Employee Holdings LLC, a limited liability company owned by certain officers and directors, owns Class A-2, A-4, B-2, B-3, B-4, and B-5 profit units and has issued similar units to its members. These units participate only in distributions upon liquidation events meeting requisite financial return thresholds.

In December 2010, Antero Resources LLC issued new Class I-5 and B-6 units valued in aggregate at \$97 million in connection with the acquisition of Bluestone Energy Partners (see note 4).

In the event of a distribution from Antero Resources LLC, amounts available for distribution are distributed according to a formula set forth in the limited liability company agreement that takes into account the relative priority of the various classes of units outstanding. In the event of a distribution due to the disposition of an individual subsidiary, a portion of the proceeds is allocated to the employees of the Company based on a requisite return financial threshold. In general, distributions are made first to holders of the Class I units until they have received their investment amount and an 8% special allocation and then, as a group, to the holders of all classes of units together. The Class I units participate on a pro rata basis with the other classes of units in funds available for distributions in excess of the Class I unit investment and special allocation amounts.

At December 31, 2012, the Class I units had an aggregate liquidation priority, including the special allocation of 8% per annum, of \$2.191 billion. Under the terms of the Antero Resources LLC limited liability company agreement, the Company is obligated to distribute cash to the members of the limited liability company each year in an amount sufficient for the members to fund income tax liabilities for partnership income allocated to them. As a result of the gain recognized by Antero Resources LLC on the sale of Antero Resources Midstream Corporation in 2010, the Company distributed approximately \$28.9 million to the members to fund income tax liabilities in February 2011.

(10) Membership Interests Awards

The Company has issued membership interests in Antero Resources Employee Holdings LLC, a limited liability company owned by certain officers and employees. The membership interests participate only in distributions from Antero Resources LLC in liquidation events, meeting requisite financial thresholds after the Class I and other classes of unitholders have recovered their investment

ANTERO RESOURCES LLC AND SUBSIDIARIES**Notes to Consolidated Financial Statements (Continued)****December 31, 2010, 2011, and 2012****(10) Membership Interests Awards (Continued)**

and special allocation amounts. The membership interests have no voting rights. Compensation expense for these awards will be recognized when all performance, market, and service conditions are probable of being satisfied (in general, upon a liquidating event). Accordingly, no value was assigned to the interests when issued. A summary of the status of the net membership interests outstanding in Antero Holdings and changes during the year ended December 31, 2012 is summarized as follows:

Balance, January 1, 2012	7,957,283
Granted	806,000
Forfeited/canceled	(203,500)
Outstanding at December 31, 2012	<u>8,559,783</u>

(11) Financial Instruments

The carrying values of trade receivables and trade payables at December 31, 2011 and 2012 approximated market value because of their short-term nature. The carrying value of the bank credit facility at December 31, 2011 and 2012 approximated fair value because the variable interest rates are reflective of current market conditions.

The fair value of the Company's senior notes was approximately \$1.3 billion, based on Level 2 market data inputs at December 31, 2012.

See note 12 for information regarding the fair value of derivative financial instruments.

(12) Derivative Instruments***(a) Commodity Derivatives***

The Company 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, 2010, 2011, and 2012, 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 have not been designated as hedges for accounting purposes; therefore, all gains and losses were recognized in income currently.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(12) Derivative Instruments (Continued)

As of December 31, 2012, the Company has entered into fixed price natural gas and oil swaps in order to hedge a portion of its natural gas and oil production from January 1, 2013 through December 31, 2018 as summarized in the following table.

	MMbtu/day	Bbls/day	price
Year ending December 31, 2013:			
CGTAP	122,631	—	\$ 5.02
Dominion South	191,702	—	4.77
NYMEX-WTI	—	300	90.30
2013 Total	<u>314,333</u>	<u>300</u>	
Year ending December 31, 2014:			
CGLA	10,000		\$ 3.87
CGTAP	200,000		5.16
Dominion South	160,000		5.15
2014 Total	<u>370,000</u>		
Year ending December 31, 2015:			
CGLA	40,000		\$ 4.00
CGTAP	120,000		5.01
Dominion South	230,000		5.60
2015 Total	<u>390,000</u>		
Year ending December 31, 2016:			
CGLA	170,000		\$ 4.09
CGTAP	60,000		4.91
Dominion South	272,500		5.35
2016 Total	<u>502,500</u>		
Year ending December 31, 2017:			
CGLA	<u>420,000</u>		\$ 4.27
Year ending December 31, 2018:			
CGLA	<u>75,000</u>		\$ 4.90

(b) Interest Rate Derivatives

From time to time, the Company has entered into various floating-to-fixed interest rate swap derivative contracts to manage exposures to changes in interest rates from variable rate obligations. Under the swaps, the Company made payments to the swap counterparty when the variable LIBOR three-month rate fell below the fixed rate or received payments from the swap counterparty when the variable LIBOR three-month rate went above the fixed rate. The Company had no outstanding interest rate swap agreements at December 31, 2012.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(12) Derivative Instruments (Continued)

(c) Summary

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 consolidated balance sheets as of December 31, 2011 and 2012. None of the Company's derivative instruments are designated as hedges for accounting purposes.

	2011		2012	
	Balance sheet location	Fair value (In thousands)	Balance sheet location	Fair value (In thousands)
Asset derivatives not designated as hedges for accounting purposes:				
Commodity contracts	Current assets	\$ 248,550	Current assets	\$ 160,579
Commodity contracts	Long-term assets	541,423	Long-term assets	371,436
Total asset derivatives		<u>\$ 789,973</u>		<u>\$ 532,015</u>

The following is a summary of realized and unrealized gains (losses) on derivative instruments and where such values are recorded in the consolidated statements of operations for the years ended December 31, 2010, 2011, and 2012 (in thousands):

	Statement of operations location	2010	2011	2012
Realized gains on commodity contracts	Revenue	\$ 15,063	49,944	178,491
Unrealized gains on commodity contracts	Revenue	62,536	446,120	1,055
Realized gains on commodity contracts	Discontinued operations	58,650	66,654	92,166
Unrealized gains (losses) on commodity contracts	Discontinued operations	108,035	113,476	(45,808)
Total gains on commodity contracts		<u>244,284</u>	<u>676,194</u>	<u>225,904</u>
Realized losses on interest rate contracts	Other expense	(9,552)	(4,306)	—
Unrealized gains on interest rate contracts	Other income	6,875	4,212	—
Total losses on interest rate contracts		<u>(2,677)</u>	<u>(94)</u>	<u>—</u>
Net gains on derivative contracts		<u>\$ 241,607</u>	<u>676,100</u>	<u>225,904</u>

The fair value of commodity and interest rate derivative instruments was determined using Level 2 inputs.

(13) Income Taxes

Antero Resources LLC is a partnership for income tax purposes and therefore is not subject to federal or state income taxes. The Company's subsidiaries are subject to federal and state income taxes.

ANTERO RESOURCES LLC AND SUBSIDIARIES**Notes to Consolidated Financial Statements (Continued)****December 31, 2010, 2011, and 2012****(13) Income Taxes (Continued)**

For the years ended December 31, 2010, 2011, and 2012 income tax expense from continuing operations consisted of the following (in thousands):

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Current income tax expense	\$ —	—	15,000
Deferred income tax expense	939	185,297	106,229
Total income tax expense from continuing operations	<u>\$ 939</u>	<u>185,297</u>	<u>121,229</u>

The income tax expense from continuing operations differs from the amount that would be computed by applying the U.S. statutory federal income tax rate of 35% to consolidated income for the years ended December 31, 2010, 2011, and 2012, as a result of the following (in thousands):

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Federal income tax expense	\$ 404	159,770	121,276
State income tax expense, net of federal benefit	57	23,593	4,761
Change in valuation allowance	1,197	(934)	(4,872)
Other	(719)	2,868	64
Total income tax expense from continuing operations	<u>\$ 939</u>	<u>185,297</u>	<u>121,229</u>

For the years ended December 31, 2010, 2011, and 2012 income tax expense (benefit) was allocated to continuing and discontinued operations as follows (in thousands):

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Continuing operations	\$ 939	185,297	121,229
Discontinued operations and sale of discontinued operations	29,070	45,155	(272,553)
Total income tax expense / (benefit)	<u>\$ 30,009</u>	<u>230,452</u>	<u>(151,324)</u>

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

ANTERO RESOURCES LLC AND SUBSIDIARIES**Notes to Consolidated Financial Statements (Continued)****December 31, 2010, 2011, and 2012****(13) Income Taxes (Continued)**

the temporary differences giving rise to net deferred tax assets and liabilities at December 31, 2011 and 2012 is as follows (in thousands):

	<u>2011</u>	<u>2012</u>
Deferred tax assets:		
Net operating loss carryforwards	\$ 364,017	417,385
Capital loss carryforwards	5,292	5,367
Minimum tax credit carryforward		15,000
Other	10,490	5,006
Total deferred tax assets	<u>379,799</u>	<u>442,758</u>
Valuation allowance	(13,833)	(47,678)
Net deferred tax assets	<u>365,966</u>	<u>395,080</u>
Deferred tax liabilities:		
Unrealized gains on derivative instruments	311,434	206,937
Depreciation differences on gathering system	5,100	—
Oil and gas properties	370,067	342,455
Total deferred tax liabilities	<u>686,601</u>	<u>549,392</u>
Net deferred tax liabilities	<u>\$ (320,635)</u>	<u>(154,312)</u>

In assessing the realizability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will be realized based on a more likely than not standard of judgment. 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 reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will not realize the benefits of all of these deductible differences and has recorded a valuation allowance of approximately \$14 million and \$48 million at December 31, 2011 and 2012, respectively, which is primarily related to capital loss carryforwards and certain state NOL carryforwards. The amount of the deferred tax asset considered realizable could be reduced in the near term if estimates of future taxable income during the carryforward period are revised.

The calculation of the Company's tax liabilities involves uncertainties in the application of complex tax laws and regulations. The Company gives financial statement recognition to those tax positions that it believes are more-likely-than-not to be sustained upon examination by the Internal Revenue Service or state revenue authorities. The financial statements include unrecognized benefits at December 31, 2012 of \$15 million that, if recognized, would result in a reduction of noncurrent income taxes payable (included in other long-term liabilities) and an increase in noncurrent deferred tax liabilities. No impact to the Company's 2012 effective tax rate would result. As of December 31, 2012, no interest or

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(13) Income Taxes (Continued)

penalties have been accrued on unrecognized tax benefits. A reconciliation of beginning and ending amount of unrecognized tax benefits is as follows:

	<u>2012</u>
Balance at beginning of year	\$ —
Additions based upon tax positions related to the current year	15,000
Balance at end of year	<u>\$ 15,000</u>

The Company's corporate subsidiaries have U.S Federal and state net operating loss carryforwards (NOLs) as of December 31, 2012 of \$1.0 billion and \$1.3 billion, respectively, which expire at various dates from 2024 to 2032. Included in other current assets are \$14 million of estimated Federal tax payments made during 2012 that will be refunded to the Company when it files its 2012 tax return.

The tax years 2009 through 2012 remain open to examination by the U.S. Internal Revenue Service. The Company and subsidiaries file tax returns with various state taxing authorities; these returns remain open to examination for tax years 2008 through 2012.

(14) Commitments

The following is a schedule of future minimum payments for firm transportation agreements, drilling and compression facility obligations, and leases that have remaining lease terms in excess of one year as of December 31, 2012 (in millions).

	Firm transportation (a)	Gas processing, gathering and compression (b)	Drilling rigs and frac Services (c)	Office and equipment (d)	Total
Year ending December 31:					
2013	\$ 36	111	150	1	298
2014	93	107	98	3	301
2015	116	126	44	3	289
2016	116	131	—	3	250
2017	113	125	—	3	241
Thereafter	854	564	—	15	1,433
Total	<u>\$ 1,328</u>	<u>1,164</u>	<u>292</u>	<u>28</u>	<u>2,812</u>

(a) Firm Transportation

The Company has entered into firm transportation agreements with various pipelines in order to facilitate the delivery of production to market. These contracts commit the Company to transport minimum daily natural gas volumes or ethane at a negotiated rate, or pay for any deficiencies at a specified reservation fee rate. The amounts in this table represent our minimum daily volumes at the reservation fee rate.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(14) Commitments (Continued)

(b) Gas Processing and Compression Service Commitments

The Company has entered into various long-term gas processing agreements for certain of its production that will allow us to realize the value of our NGLs. The minimum payment obligations under the agreements are presented in the table.

The Company has various compressor service agreements with third parties that provide for payments based on volumes compressed and have minimum payment obligations which are presented in the table.

(c) Drilling Rig Service Commitments

The Company has obligations under agreements with service providers to procure drilling rigs and compression and frac services. At December 31, 2012, the Company had contracts for the services of 13 rigs. The contracts expire at various dates from January 2013 through January 2016.

(d) Office and Equipment Leases

The Company leases various office space and equipment under operating lease arrangements. Rental expense under operating leases is included in general and administrative expenses and was \$0.8 million, \$1.0 million, and \$1.1 million for the years ended December 31, 2010, 2011, and 2012, respectively.

(15) Contingencies

In March 2011, the Company received orders for compliance from the U.S. Environmental Protection Agency relating to certain of our activities in West Virginia. The orders allege that certain of the Company's operations at several well sites are not in compliance with certain environmental regulations pertaining to unpermitted discharges of fill material into wetlands or waters that are potentially in violation of the Clean Water Act. The Company has responded to all pending orders and is actively cooperating with the relevant agencies. No fine or penalty relating to these matters has been proposed at this time, but the Company believes that these actions will result in monetary sanctions exceeding \$100,000. The Company is unable to estimate the total amount of such monetary sanctions or costs to remediate these locations in order to bring them into compliance with applicable environmental laws and regulations.

The Company has been named in separate lawsuits in Colorado, Pennsylvania, and West Virginia in which the plaintiffs have alleged that its oil and natural gas activities exposed them to hazardous substances and damaged their properties and their persons. The plaintiffs have requested unspecified damages and other injunctive or equitable relief. The Company denies any such allegations and intends to vigorously defend itself against these actions. The Company is unable to estimate the amount of monetary or other damages, if any, that might result from these claims.

The Company is party to various other legal proceedings and claims in the ordinary course of its business. The Company believes certain of these matters will be covered by insurance and that the outcome of other matters will not have a material adverse effect on its consolidated financial position, results of operations, or liquidity.

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(16) Supplemental Information on Oil and Gas Producing Activities (Unaudited)

The following is supplemental information regarding our consolidated oil and gas producing activities. The amounts shown include our net working and royalty interests in all of our oil and gas properties.

(a) Capitalized Costs Relating to Oil and Gas Producing Activities

	Year ended December 31	
	2011	2012
	(In thousands)	
Proved properties	\$ 2,497,306	1,689,132
Unproved properties	834,255	1,243,237
	3,331,561	2,932,369
Accumulated depreciation and depletion	(586,444)	(158,210)
Net capitalized costs	\$ 2,745,117	2,774,159

(b) Costs Incurred in Certain Oil and Gas Activities

	Year ended December 31		
	2010	2011	2012
	(In thousands)		
Acquisition costs			
Proved property	\$ 50,657	\$ 105,405	\$ 10,254
Unproved property	247,733	195,131	687,403
Development costs	224,297	433,053	690,517
Exploration costs	75,961	95,563	158,074
Total costs incurred	\$ 598,648	\$ 829,152	\$ 1,546,248

Costs incurred in 2010 include costs allocated to proved and unproved properties of \$50.7 million and \$206.3 million, respectively, as a result of a business acquisition. See note 3.

ANTERO RESOURCES LLC AND SUBSIDIARIES**Notes to Consolidated Financial Statements (Continued)****December 31, 2010, 2011, and 2012****(16) Supplemental Information on Oil and Gas Producing Activities (Unaudited) (Continued)*****(c) Results of Operations (including discontinued operations) for Oil and Gas Producing Activities***

	Year ended December 31		
	2010	2011	2012
	(In thousands)		
Revenues	\$ 206,462	391,994	390,378
Operating expenses:			
Production expenses	80,097	136,635	185,505
Exploration expenses	24,794	9,876	15,339
Depreciation and depletion	124,341	164,011	181,664
Impairment	35,859	11,051	13,032
Results of operations before income tax expense (benefit)	(58,629)	70,421	(5,162)
Income tax (expense) benefit	6,449	(26,056)	2,008
Results of operations	\$ (52,180)	44,365	(3,154)

(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. Net proved oil and gas reserves for the year ended December 31, 2011 and 2012 were prepared by the Company's reserve engineers and audited by DeGolyer and MacNaughton (D&M) or Ryder Scott utilizing data compiled by us. Over 99% of our estimated proved reserves as of December 31, 2010 were prepared by D&M, Ryder Scott, or Wright & Co. There are many uncertainties inherent in estimating proved reserve quantities, and projecting future production rates and timing of future development costs. 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. All reserves are located in the United States.

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 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. The Company estimates proved reserves using historical 12-month unweighted first day of the month average prices.

Proved undeveloped reserves include drilling locations that are more than one offset location away from productive wells and are reasonably certain of containing proved reserves and which are scheduled to be drilled within five years under the Company's development plans. The Company's development plans for drilling scheduled over the next five years are subject to many uncertainties and

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(16) Supplemental Information on Oil and Gas Producing Activities (Unaudited) (Continued)

variables, including availability of capital; future oil and gas prices; and cash flows from operations, future drilling costs, demand for natural gas, and other economic factors.

	Natural gas (Bcf)	NGLS (MMBbl)	Oil and condensate (MMBbl)	Equivalents (Bcfe)
Proved developed and undeveloped reserves:				
December 31, 2009	1,130	—	1	1,141
Revisions	38	35	1	253
Extensions, discoveries and other additions	1,248	69	8	1,712
Production	(45)	—	—(a)	(47)
Purchase of reserves	172	—	—	172
December 31, 2010	2,543	104	10	3,231

(a) Less than 1.0

	Natural gas (Bcf)	NGLS (MMBbl)	Oil and condensate (MMBbl)	Equivalents (Bcfe)
Revisions	(223)	2	7	(172)
Extensions, discoveries and other additions	1,644	57	—(a)	1,982
Production	(84)	(1)	—(a)	(89)
Purchase of reserves	52	2	—	66
Sale of reserves in place	(1)	—	—	(1)
December 31, 2011	3,931	164	17	5,017
Revisions	198	4	—(a)	222
Extensions, discoveries and other additions	1,242	115	3	1,951
Production	(87)	—(a)	—(a)	(87)
Sale of reserves in place	(1,590)	(80)	(17)	(2,174)
December 31, 2012	3,694	203	3	4,929

(a) Less than 1.0

	Natural gas (Bcf)	NGLS (MMBbl)	Oil and condensate (MMBbl)	Equivalents (Bcfe)
Proved developed reserves:				
December 31, 2010	400	9	1	457
December 31, 2011	718	19	2	844
December 31, 2012	828	36	1	1,047
Proved undeveloped reserves:				
December 31, 2010	2,143	95	10	2,774
December 31, 2011	3,213	145	15	4,173
December 31, 2012	2,866	167	2	3,882

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(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 2010, 2011, and 2012 in the above table include the following:

- 2010—Of the 1,712 Bcfe of extensions and discoveries in 2010, 249 Bcfe related to the Arkoma Basin in Oklahoma, 1,130 Bcfe related to the Piceance Basin in Colorado, 301 Bcfe related to the Appalachian Basin in Pennsylvania and West Virginia, and 32 Bcfe related to other areas. Performance revisions increased proved reserves by 253 Bcfe and include the effect of the future realization of our NGLs in the Piceance Basin due to the execution of a processing agreement that became effective January 1, 2011. The increase in extensions and discoveries is the result of increased activity in the Appalachian Basin.
- 2011—Of the 1,982 Bcfe of extensions and discoveries in 2011, 93 Bcfe related to the Arkoma Basin in Oklahoma, 61 Bcfe related to the Piceance Basin in Colorado, 1,816 Bcfe related to the Appalachian Basin in Pennsylvania and West Virginia, and 12 Bcfe related to other areas. Revisions include negative revisions of 6 Bcfe due to price, negative revisions of 346 Bcfe due to performance, and positive revisions of 180 Bcfe due to the execution of gas processing agreements in the Appalachian Basin. Extensions and discoveries are primarily the result of increased development activity in the Appalachian Basin.
- 2012—Extensions, discoveries, and other additions during 2012 of 1,951 Bcfe were added through the drillbit in the Marcellus and Utica Shales, including the addition of 709 Bcfe attributable to NGLs and oil. Downward price revisions resulted in a reduction of proved reserves of 102 Bcfe. Performance revisions increased proved reserves by 324 Bcfe. Sales of proved reserves of 2,174 Bcfe are the result of the sale of our Arkoma and Piceance Basin properties.

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 historical 12-month unweighted first day of the month average prices. 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 pretax 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 LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(16) Supplemental Information on Oil and Gas Producing Activities (Unaudited) (Continued)

computing future income tax expense. The resulting annual net cash inflows were then discounted using a 10% annual rate.

	Year ended December 31		
	2010	2011	2012
	(In millions)		
Future cash inflows	\$ 13,114	20,046	12,151
Future production costs	(3,088)	(3,491)	(1,660)
Future development costs	(4,036)	(5,085)	(3,270)
Future net cash flows before income tax	5,990	11,470	7,221
Future income tax expense	(1,438)	(3,287)	(1,603)
Future net cash flows	4,552	8,183	5,618
10% annual discount for estimated timing of cash flows	(3,455)	(5,713)	(4,017)
Standardized measure of discounted future net cash flows	\$ 1,097	2,470	1,601

The 12-month weighted average prices used to estimate the Company's total equivalent reserves were as follows:

	Arkoma	Piceance	Appalachia
	(Per Mcfe)		
December 31, 2010	\$ 4.18	3.93	4.51
December 31, 2011	3.90	3.84	4.16
December 31, 2012	NA	NA	2.78

ANTERO RESOURCES LLC AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Continued)

December 31, 2010, 2011, and 2012

(16) Supplemental Information on Oil and Gas Producing Activities (Unaudited) (Continued)

(e) Changes in Standardized Measure of Discounted Future Net Cash Flow

	Year ended December 31		
	2010	2011	2012
	(In millions)		
Sales of oil and gas, net of production costs	\$ (126)	(255)	(147)
Net changes in prices and production costs	382	215	(1,631)
Development costs incurred during the period	81	247	296
Net changes in future development costs	(61)	(106)	(92)
Extensions, discoveries and other additions	695	1,684	813
Acquisitions	92	51	—
Divestitures	—	—	(1,277)
Revisions of previous quantity estimates	113	(182)	88
Accretion of discount	29	147	322
Net change in income taxes	(359)	(605)	653
Other changes	16	177	106
Net increase (decrease)	862	1,373	(869)
Beginning of year	235	1,097	2,470
End of year	<u>\$ 1,097</u>	<u>2,470</u>	<u>1,601</u>

ANNEX A: GLOSSARY OF NATURAL GAS AND OIL TERMS

The following are abbreviations and definitions of certain terms used in this document, which are commonly used in the oil and natural gas industry:

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

"*Bcf.*" One billion cubic feet of natural gas.

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

"*BTU.*" British thermal unit.

"*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.

"*Cryogenic processing.*" A set of processes that reduces the temperature of natural gas, which in turn allows for the removal of condensed ethane or other NGLs.

"*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.

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

"*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.

"*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.

"*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.

"*Highly rich/condensate.*" Gas having a heat content between 1275 BTU and 1350 BTU in the Marcellus Shale and 1250 BTU and 1300 BTU in the Utica Shale.

"*Highly rich gas.*" Gas having a heat content between 1200 BTU and 1275 BTU in the Marcellus Shale and 1200 BTU and 1250 BTU in the Utica Shale.

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"*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.

"*MBbl.*" One thousand barrels of crude oil, condensate or NGLs.

"*Mcf.*" One thousand cubic feet of natural gas.

"*MMBbl.*" One million barrels of crude oil, condensate or NGLs.

"*MMBoe.*" One million barrels of oil equivalent.

"*MMBtu.*" One million British thermal units.

"*MMcf.*" One million cubic feet of natural gas.

"*MMcfe.*" One million cubic feet equivalent, determined using the ratio of six Mcf of natural gas to one Bbl of crude oil, condensate or NGLs.

"*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.

"*Possible reserves.*" Reserves that are less certain to be recovered than probable reserves.

"*Potential well locations.*" Total gross resource play locations that we may be able to drill on our existing acreage. 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.

"*Probable reserves.*" Reserves that are less certain to be recovered than proved reserves but that, together with proved reserves, are as likely as not to be recovered.

"*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 NGLs 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, 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,

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or 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.

"Rich gas." Gas having a heat content of between 1100 BTU to 1200 BTU.

"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.

"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.

Shares



Antero Resources Corporation

Common Stock

Prospectus
2013

Barclays

Citigroup

J.P. Morgan

Credit Suisse

Jefferies

Wells Fargo Securities

Morgan Stanley

Tudor, Pickering, Holt & Co.

Baird

BMO Capital Markets

Capital One Securities

Raymond James

Scotiabank / Howard Weil

Credit Agricole CIB

KeyBanc Capital Markets

Mitsubishi UFJ Securities

BB&T Capital Markets

Comerica Securities

Through and including _____, (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II**INFORMATION NOT REQUIRED IN PROSPECTUS****Item 13. Other Expenses of Issuance and Distribution**

The following table sets forth an itemized statement of the amounts of all expenses (excluding underwriting discounts and commissions) payable by us in connection with the registration of the common stock offered hereby. With the exception of the SEC registration fee and the FINRA filing fee, the amounts set forth below are estimates.

SEC registration fee	\$ 136,400
FINRA filing fee	150,500
NYSE listing fee	*
Accountants' fees and expenses	*
Legal fees and expenses	*
Printing and engraving expenses	*
Transfer agent and registrar fees	*
Miscellaneous	*
Total	\$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

We expect that our amended and restated certificate of incorporation will provide that a director will not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to the corporation or its stockholders, (2) for acts or omissions not in good faith or which involved intentional misconduct or a knowing violation of the law, (3) under section 174 of the DGCL for unlawful payment of dividends or improper redemption of stock or (4) for any transaction from which the director derived an improper personal benefit. In addition, if the DGCL is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the corporation, in addition to the limitation on personal liability that will be provided by our amended and restated certificate of incorporation, will be limited to the fullest extent permitted by the amended DGCL. We expect that our amended and restated bylaws will provide that the corporation will indemnify, and advance expenses to, any officer or director to the fullest extent authorized by the DGCL.

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with specified actions, suits and proceedings whether civil, criminal, administrative, or investigative, other than a derivative action by or in the right of the corporation, if they acted in good faith and in a manner they 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 their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses, including attorneys' fees, incurred in connection with the defense or settlement of such action and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's certificate of incorporation, bylaws, disinterested director vote, stockholder vote, agreement or otherwise.

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We expect that our amended and restated certificate of incorporation will also contain indemnification rights for our directors and our officers. Specifically, we expect that our amended and restated certificate of incorporation will provide that we shall indemnify our officers and directors to the fullest extent authorized by the DGCL. Further, we may maintain insurance on behalf of our officers and directors against expense, liability or loss asserted incurred by them in their capacities as officers and directors.

We have obtained directors' and officers' insurance to cover our directors, officers and some of our employees for certain liabilities.

We will enter into written indemnification agreements with our directors and officers. Under these proposed agreements, if an officer or director makes a claim of indemnification to us, either a majority of the independent directors or independent legal counsel selected by the independent directors must review the relevant facts and make a determination whether the officer or director has met the standards of conduct under Delaware law that would permit (under Delaware law) and require (under the indemnification agreement) us to indemnify the officer or director.

Item 15. Recent Sales of Unregistered Securities.

None.

Item 16. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as exhibits to this Registration Statement.

<u>Exhibit Number</u>	<u>Description</u>
1.1*	Form of Underwriting Agreement
2.1	Purchase and Sale Agreement, dated June 1, 2012, between Antero Resources Corporation and Vanguard Permian, LLC (incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on July 5, 2012)
2.2	Purchase and Sale Agreement by and among Antero Resources Piceance LLC, Antero Resources Pipeline LLC and Ursa Resources Group II LLC, dated as of November 1, 2012 (incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on November 6, 2012)
3.1***	Amended and Restated Certificate of Incorporation of Antero Resources Appalachian Corporation
3.2***	Bylaws of Antero Resources Appalachian Corporation
3.3***	Amendment to the Amended and Restated Certificate of Incorporation of Antero Resources Appalachian Corporation
3.4*	Form of Amended and Restated Certificate of Incorporation of Antero Resources Corporation
3.5*	Form of Amended and Restated Bylaws of Antero Resources Corporation
4.1*	Form of Common Stock Certificate
4.2	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 (incorporated by reference to Exhibit 4.1 to Registration Statement on Form S-4 (Commission File No. 333-164876) filed on February 12, 2010)

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<u>Exhibit Number</u>	<u>Description</u>
4.3	Indenture dated as of August 1, 2011 by and among Antero Resources Finance Corporation, the several guarantors named therein and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on August 1, 2011)
4.4	Indenture dated as of November 19, 2012 by and among Antero Resources Finance Corporation, the several guarantors named therein and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on November 20, 2012)
5.1*	Form of Opinion of Vinson & Elkins L.L.P. as to the legality of the securities being registered
10.1	Fourth Amended and Restated Credit Agreement dated as of November 4, 2010 among Antero Resources 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, Wells Fargo Bank, N.A., as Syndication Agent, Bank of Scotland Plc, Union Bank, N.A., Credit Agricole Corporate and Investment Bank, BNP Paribas and Deutsche Bank Trust Company Americas, as Co-Documentation Agents and J.P. Morgan Securities LLC and Wells Fargo Securities, LLC, as Joint Lead Arrangers and Joint Bookrunners (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on November 11, 2010)
10.2	First Amendment to the Fourth Amended And Restated Credit Agreement, dated as of May 12, 2011, among Antero Resources 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 and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to Form 10-Q (Commission File No. 333-164876) filed on May 16, 2011)
10.3	Second Amendment to Fourth Amended And Restated Credit Agreement dated as of July 8, 2011 among Antero Resources 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 and JP Morgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on July 11, 2011)
10.4	Third Amendment to Fourth Amended And Restated Credit Agreement dated as of October 26, 2011 among Antero Resources 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 and JP Morgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on October 28, 2011)

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<u>Exhibit Number</u>	<u>Description</u>
10.5	Fourth Amendment to Fourth Amended And Restated Credit Agreement dated as of May 4, 2012 among Antero Resources 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 and JP Morgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K (Commission File No. 333-164876) filed on May 7, 2012)
10.6	Fifth Amendment to Fourth Amended and Restated Credit Agreement dated as of October 25, 2012 among Antero Resources Arkoma LLC, Antero Resources Piceance LLC, Antero Resources Pipeline LLC and Antero Resources Appalachian Corporation, as Borrowers, certain subsidiaries of Borrowers, as Guarantors, the Lenders party hereto, and JP Morgan Chase Bank, N.A. as Administrative Agent (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on October 26, 2012)
10.7	Sixth Amendment to Fourth Amended and Restated Credit Agreement dated May 9, 2013 by and among Antero Resources Appalachian Corporation and JPMorgan Chase Bank, N.A., as administrative agent for the lenders, to increase the borrowing base and lender commitments and amend the current ratio covenant under the Fourth Amended and Restated Credit Agreement dated as of November 4, 2010 (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q (Commission File No. 333-164876) filed on May 13, 2013)
10.8	Seventh Amendment to Fourth Amended and Restated Credit Agreement dated June 27, 2013 by and among Antero Resources Corporation and JPMorgan Chase Bank, N.A., as administrative agent for the lenders, to increase the borrowing base and lender commitments and amend the current ratio covenant under the Fourth Amended and Restated Credit Agreement dated as of November 4, 2010 (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q (Commission File No. 333-164876) filed on August 9, 2013.
10.9	Letter Agreement dated June 29, 2012 by and among Antero Resources Corporation, Antero Resources Piceance Corporation, Antero Resources Pipeline Corporation, Antero Resources Appalachian Corporation and JPMorgan Chase Bank N.A., as administrative agent for the lenders, to reduce the borrowing base and lender commitments under the Fourth Amended and Restated Credit Agreement dated as of November 4, 2010 (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on July 5, 2012)
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<u>Exhibit Number</u>	<u>Description</u>
10.11	Letter Agreement dated December 7, 2012 by and among Antero Resources Arkoma LLC, Antero Resources Piceance LLC, Antero Resources Pipeline LLC, and Antero Resources Appalachian Corporation and JPMorgan Chase Bank N.A., as administrative agent for the lenders, to reduce the borrowing base and lender commitments under the Fourth Amended and Restated Credit Agreement dated as of November 4, 2010 (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K (Commission File No. 333-164876) filed on December 10, 2012)
10.12	Letter Agreement dated February 4, 2013 by and among Antero Resources Arkoma LLC, Antero Resources Piceance LLC, Antero Resources Pipeline LLC, and Antero Resources Appalachian Corporation and JPMorgan Chase Bank, N.A., as administrative agent for the lenders, to reduce the borrowing base and lender commitments under the Fourth Amended and Restated Credit Agreement dated as of November 4, 2010 (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K (Commission File No. 333-164876) filed on February 4, 2013)
10.13	Limited Liability Company Agreement of Antero Resources Employee Holdings LLC, dated as of November 3, 2009 (incorporated by reference to Exhibit 10.9 to Registration Statement on Form S-4 (Commission File No. 333-164876) filed on February 12, 2010)
10.14*	Form of Long-Term Incentive Plan of Antero Resources Corporation
10.15***	Form of Indemnification Agreement between Antero Resources Corporation and each of the directors and executive officers thereof
10.16*	Form of Agreement and Plan of Merger by and among Antero Resources Corporation, Antero Resources LLC and Antero Resources Investment LLC
10.17*	Form of Contribution Agreement
10.18*	Form of Registration Rights Agreement among Antero Resources Corporation and certain equity owners
10.19*	Form of Right of First Offer Agreement
10.20*	Form of Gas Gathering and Compression Agreement
10.21*	Form of Water Services Agreement
10.22***	Form of Intercompany Credit Agreement
10.23***	Eighth Amendment to Fourth Amended and Restated Credit Agreement dated August 29, 2013 by and among Antero Resources Corporation and JPMorgan Chase Bank, N.A., as administrative agent for the lenders, to increase the borrowing base and lender commitments under the Fourth Amended and Restated Credit Agreement dated as of November 4, 2010
10.24*	Form of Amended and Restated Limited Liability Company Agreement of Antero Midstream LLC
21.1***	List of Subsidiaries of Antero Resources Corporation
23.1*	Consent of KPMG LLP
23.2*	Consent of DeGolyer and MacNaughton
23.3*	Consent of Ryder Scott & Company
23.4*	Consent of Vinson & Elkins L.L.P. (included as part of Exhibit 5.1 hereto)

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<u>Exhibit Number</u>	<u>Description</u>
23.5***	Consent of Director Nominee (Connor)
23.6*	Consent of Director Nominee (Clark)
23.7*	Consent of Director Nominee (Hardesty)
23.8*	Consent of Director Nominee (Levy)
24.1*	Power of Attorney (included on the signature page of this registration statement)
99.1***	Report of DeGolyer and MacNaughton for proved reserves as of December 31, 2012 relating to Marcellus and Upper Devonian resources in the Appalachian Basin
99.2***	Report of DeGolyer and MacNaughton for probable reserves as of December 31, 2012 relating to Marcellus and Upper Devonian resources in the Appalachian Basin
99.3***	Report of DeGolyer and MacNaughton for possible reserves as of December 31, 2012 relating to Marcellus and Upper Devonian resources in the Appalachian Basin
99.4***	Report of DeGolyer and MacNaughton for proved reserves as of December 31, 2012 relating to Utica Shale resources in the Appalachian Basin
99.5***	Report of DeGolyer and MacNaughton for probable reserves as of December 31, 2012 relating to Utica Shale resources in the Appalachian Basin
99.6***	Report of DeGolyer and MacNaughton for possible reserves as of December 31, 2012 relating to Utica Shale resources in the Appalachian Basin
99.7	Report of DeGolyer and MacNaughton for reserves as of December 31, 2011 relating to Appalachian Basin properties (incorporated by reference to Exhibit 99.1 to Annual Report on Form 10-K (Commission File No. 333-164876) filed on March 20, 2012)
99.8	Report of DeGolyer and MacNaughton for reserves as of December 31, 2011 relating to Arkoma Basin, Woodford Shale and Fayetteville Shale properties (incorporated by reference to Exhibit 99.2 to Annual Report on Form 10-K (Commission File No. 333-164876) filed on March 20, 2012)
99.9	Report of Ryder Scott Company, L.P. for reserves as of December 31, 2011 relating to Piceance Basin properties (incorporated by reference to Exhibit 99.3 to Annual Report on Form 10-K (Commission File No. 333-164876) filed on March 20, 2012)
99.10	Report of DeGolyer and MacNaughton for reserves as of December 31, 2010 relating to Appalachian Basin properties (incorporated by reference to Exhibit 99.1 to Annual Report on Form 10-K/A (Commission File No. 333-164876) filed on April 11, 2012)
99.11	Report of DeGolyer and MacNaughton for reserves as of December 31, 2010 relating to Arkoma Basin, Woodford Shale and Fayetteville Shale properties (incorporated by reference to Exhibit 99.2 to Annual Report on Form 10-K/A (Commission File No. 333-164876) filed on April 11, 2012)
99.12	Report of Ryder Scott Company, L.P. for reserves as of December 31, 2010 relating to Piceance Basin properties (incorporated by reference to Exhibit 99.3 to Annual Report on Form 10-K/A (Commission File No. 333-164876) filed on April 11, 2012)
99.13***	Report of DeGolyer and MacNaughton for proved reserves as of June 30, 2013 relating to Marcellus resources in the Appalachian Basin

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<u>Exhibit Number</u>	<u>Description</u>
99.14***	Report of DeGolyer and MacNaughton for probable reserves as of June 30, 2013 relating to Marcellus resources in the Appalachian Basin
99.15***	Report of DeGolyer and MacNaughton for possible reserves as of June 30, 2013 relating to Marcellus resources in the Appalachian Basin
99.16***	Report of DeGolyer and MacNaughton for proved reserves as of June 30, 2013 relating to Upper Devonian resources in the Appalachian Basin
99.17***	Report of DeGolyer and MacNaughton for probable reserves as of June 30, 2013 relating to Upper Devonian resources in the Appalachian Basin
99.18***	Report of DeGolyer and MacNaughton for possible reserves as of June 30, 2013 relating to Upper Devonian resources in the Appalachian Basin
99.19***	Report of DeGolyer and MacNaughton for proved reserves as of June 30, 2013 relating to Utica Shale resources in the Appalachian Basin
99.20***	Report of DeGolyer and MacNaughton for probable reserves as of June 30, 2013 relating to Utica Shale resources in the Appalachian Basin
99.21***	Report of DeGolyer and MacNaughton for possible reserves as of June 30, 2013 relating to Utica Shale resources in the Appalachian Basin

* Filed herewith.

** To be filed by amendment.

*** Previously filed.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act 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 the 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, the 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.

The undersigned registrant hereby undertakes that, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, in a primary offering of securities of the undersigned 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

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registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to this offering required to be filed pursuant to Rule 424;
- (ii) Any free writing prospectus relating to this offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) The portion of any other free writing prospectus relating to this offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- (iv) Any other communication that is an offer in this offering made by the undersigned registrant to the purchaser.

The undersigned registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus 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.

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 September 23, 2013.

ANTERO RESOURCES CORPORATION

By: /s/ GLEN C. WARREN, JR.

Name: Glen C. Warren, Jr.
Title: *President, Chief Financial Officer and Secretary*

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons for and in the capacities indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
* _____ Paul M. Rady	Chairman of the Board, Director and Chief Executive Officer (principal executive officer)	September 23, 2013
/s/ GLEN C. WARREN, JR. _____ Glen C. Warren, Jr.	Director, President, Chief Financial Officer and Secretary (principal financial officer)	September 23, 2013
* _____ Peter R. Kagan	Director	September 23, 2013
* _____ W. Howard Keenan, Jr.	Director	September 23, 2013
* _____ Christopher R. Manning	Director	September 23, 2013
*By: /s/ GLEN C. WARREN, JR. _____ Glen C. Warren, Jr. <i>Attorney-in-Fact</i>		

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 for and in the capacities indicated for each registrant.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ K. PHIL YOO</u> K. Phil Yoo	Corporate Controller (principal accounting officer)	September 23, 2013
<u>/s/ RICHARD W. CONNOR</u> Richard W. Connor	Director	September 23, 2013

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
1.1*	Form of Underwriting Agreement
2.1	Purchase and Sale Agreement, dated June 1, 2012, between Antero Resources Corporation and Vanguard Permian, LLC (incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on July 5, 2012)
2.2	Purchase and Sale Agreement by and among Antero Resources Piceance LLC, Antero Resources Pipeline LLC and Ursa Resources Group II LLC, dated as of November 1, 2012 (incorporated by reference to Exhibit 2.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on November 6, 2012)
3.1***	Amended and Restated Certificate of Incorporation of Antero Resources Appalachian Corporation
3.2***	Bylaws of Antero Resources Appalachian Corporation
3.3***	Amendment to the Amended and Restated Certificate of Incorporation of Antero Resources Appalachian Corporation
3.4*	Form of Amended and Restated Certificate of Incorporation of Antero Resources Corporation
3.5*	Form of Amended and Restated Bylaws of Antero Resources Corporation
4.1*	Form of Common Stock Certificate
4.2	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 (incorporated by reference to Exhibit 4.1 to Registration Statement on Form S-4 (Commission File No. 333-164876) filed on February 12, 2010)
4.3	Indenture dated as of August 1, 2011 by and among Antero Resources Finance Corporation, the several guarantors named therein and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on August 1, 2011)
4.4	Indenture dated as of November 19, 2012 by and among Antero Resources Finance Corporation, the several guarantors named therein and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on November 20, 2012)
5.1*	Form of Opinion of Vinson & Elkins L.L.P. as to the legality of the securities being registered
10.1	Fourth Amended and Restated Credit Agreement dated as of November 4, 2010 among Antero Resources 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, Wells Fargo Bank, N.A., as Syndication Agent, Bank of Scotland Plc, Union Bank, N.A., Credit Agricole Corporate and Investment Bank, BNP Paribas and Deutsche Bank Trust Company Americas, as Co-Documentation Agents and J.P. Morgan Securities LLC and Wells Fargo Securities, LLC, as Joint Lead Arrangers and Joint Bookrunners (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on November 11, 2010)

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<u>Exhibit Number</u>	<u>Description</u>
10.2	First Amendment to the Fourth Amended And Restated Credit Agreement, dated as of May 12, 2011, among Antero Resources 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 and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to Form 10-Q (Commission File No. 333-164876) filed on May 16, 2011)
10.3	Second Amendment to Fourth Amended And Restated Credit Agreement dated as of July 8, 2011 among Antero Resources 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 and JP Morgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on July 11, 2011)
10.4	Third Amendment to Fourth Amended And Restated Credit Agreement dated as of October 26, 2011 among Antero Resources 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 and JP Morgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on October 28, 2011)
10.5	Fourth Amendment to Fourth Amended And Restated Credit Agreement dated as of May 4, 2012 among Antero Resources 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 and JP Morgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K (Commission File No. 333-164876) filed on May 7, 2012)
10.6	Fifth Amendment to Fourth Amended and Restated Credit Agreement dated as of October 25, 2012 among Antero Resources Arkoma LLC, Antero Resources Piceance LLC, Antero Resources Pipeline LLC and Antero Resources Appalachian Corporation, as Borrowers, certain subsidiaries of Borrowers, as Guarantors, the Lenders party hereto, and JP Morgan Chase Bank, N.A. as Administrative Agent (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (Commission File No. 333-164876) filed on October 26, 2012)
10.7	Sixth Amendment to Fourth Amended and Restated Credit Agreement dated May 9, 2013 by and among Antero Resources Appalachian Corporation and JPMorgan Chase Bank, N.A., as administrative agent for the lenders, to increase the borrowing base and lender commitments and amend the current ratio covenant under the Fourth Amended and Restated Credit Agreement dated as of November 4, 2010 (incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q (Commission File No. 333-164876) filed on May 13, 2013)

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10.8	Seventh Amendment to Fourth Amended and Restated Credit Agreement dated June 27, 2013 by and among Antero Resources Corporation and JPMorgan Chase Bank, N.A., as administrative agent for the lenders, to increase the borrowing base and lender commitments and amend the current ratio covenant under the Fourth Amended and Restated Credit Agreement dated as of November 4, 2010 (incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q (Commission File No. 333-164876) filed on August 9, 2013.
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99.7	Report of DeGolyer and MacNaughton for reserves as of December 31, 2011 relating to Appalachian Basin properties (incorporated by reference to Exhibit 99.1 to Annual Report on Form 10-K (Commission File No. 333-164876) filed on March 20, 2012)

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<u>Exhibit Number</u>	<u>Description</u>
99.8	Report of DeGolyer and MacNaughton for reserves as of December 31, 2011 relating to Arkoma Basin, Woodford Shale and Fayetteville Shale properties (incorporated by reference to Exhibit 99.2 to Annual Report on Form 10-K (Commission File No. 333-164876) filed on March 20, 2012)
99.9	Report of Ryder Scott Company, L.P. for reserves as of December 31, 2011 relating to Piceance Basin properties (incorporated by reference to Exhibit 99.3 to Annual Report on Form 10-K (Commission File No. 333-164876) filed on March 20, 2012)
99.10	Report of DeGolyer and MacNaughton for reserves as of December 31, 2010 relating to Appalachian Basin properties (incorporated by reference to Exhibit 99.1 to Annual Report on Form 10-K/A (Commission File No. 333-164876) filed on April 11, 2012)
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99.12	Report of Ryder Scott Company, L.P. for reserves as of December 31, 2010 relating to Piceance Basin properties (incorporated by reference to Exhibit 99.3 to Annual Report on Form 10-K/A (Commission File No. 333-164876) filed on April 11, 2012)
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* Filed herewith.

** To be filed by amendment.

*** Previously filed.

[Insert number of shares]

ANTERO RESOURCES CORPORATION

*Common Stock***FORM OF UNDERWRITING AGREEMENT**

[·], 2013

BARCLAYS CAPITAL INC.
 CITIGROUP GLOBAL MARKETS INC.
 J.P. MORGAN SECURITIES LLC,
 As Representatives of the several
 Underwriters named in Schedule I attached hereto,
 c/o Barclays Capital Inc.
 745 Seventh Avenue
 New York, New York 10019

Ladies and Gentlemen:

Antero Resources Corporation, a Delaware corporation (the “*Company*”), proposes to sell [·] shares (the “*Firm Stock*”) of the Company’s common stock, par value \$0.01 per share (the “*Common Stock*”). In addition, (i) Antero Resources Investment LLC, a Delaware limited liability company (the “*Selling Stockholder*”), proposes to grant to the underwriters (the “*Underwriters*”) named in Schedule I attached to this agreement (this “*Agreement*”) an option to purchase up to [·] additional shares of the Common Stock on the terms set forth in Section 3 (the “*ARI Option Stock*”) and (ii) the Company proposes to grant to the Underwriters an option to purchase up to [·] additional shares of the Common Stock on the terms set forth in Section 3 (the “*Company Option Stock*”) and, together with the ARI Option Stock, the “*Option Stock*”). The Firm Stock and the Option Stock, if purchased, are hereinafter collectively called the “*Stock*.” This Agreement is to confirm the agreement concerning the purchase of the Stock from the Company and the Selling Stockholder by the Underwriters.

The steps outlined in paragraphs (A) and (B) below, and the transactions contemplated thereby, are collectively referred to as the “*Reorganization*,” and the effective time of the Merger (as hereinafter defined) is referred to as the “*Reorganization Effective Time*.” As a result of the Reorganization, Antero Resources LLC, a Delaware limited liability company (“*Antero LLC*”), will merge with and into the Company, with the Company being the surviving corporation. As used in this Agreement, references to the “*Company*” with respect to periods prior to the consummation of the Reorganization shall be deemed to be references to Antero LLC, unless the context otherwise requires.

(A) It is further understood and agreed to by all parties that prior to the date hereof the following transactions occurred:

(1) The Company, Antero LLC and the Selling Stockholder entered into that certain Agreement and Plan of Merger dated as of [·], 2013 and effective as of the Initial Delivery Date (the “*Agreement and Plan of Merger*”).

(2) The Company filed that certain Certificate of Merger relating to the Merger with the Secretary of State of the State of Delaware to be effective as of [·] a.m. (New York City time) on the Initial Delivery Date (the “*Certificate of Merger*” and, together with the Agreement and Plan of Merger, the “*Merger Agreement*”).

(B) On the Initial Delivery Date:

(1) Pursuant to the Merger Agreement, Antero LLC will merge with and into the Company, with the Company being the surviving corporation (the “*Merger*”). Pursuant to the Merger, (a) the limited liability company interests in Antero LLC will be converted into limited liability company interests in the Selling Stockholder, and the members of Antero LLC will become the members of the Selling Stockholder, owning economic interests in the same proportion in the Selling Stockholder that were owned in Antero LLC, (b) [·] shares of Common Stock of the Company will be issued to the Selling Stockholder, (c) all of the common stock of the Company held by Antero LLC prior to the Initial Delivery Date will be cancelled and (d) the Company will become a direct, wholly owned subsidiary of the Selling Stockholder.

(2) In connection with the Reorganization, (a) the certificate of incorporation of the Company will be amended and restated and (b) the bylaws of the Company will be amended and restated. The amended and restated certificate of incorporation of the Company to be effective as of the Initial Delivery Date in connection with the Reorganization is referred to herein as the “*Restated Certificate*.” The amended and restated bylaws of the Company to be effective as of the Initial Delivery Date in connection with the Reorganization are referred to herein as the “*Restated Bylaws*.”

(3) The public through the Underwriters will purchase the Firm Shares from the Company.

1. *Representations, Warranties and Agreements of the Company.* The Company represents, warrants and agrees with

each Underwriter that:

(a) *Registration Statement.* A registration statement on Form S-1 (File No. 333-189284) relating to the Stock has (i) been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the “*Securities Act*”), and the rules and regulations of the Securities and Exchange Commission (the “*Commission*”) thereunder; (ii) been filed with the Commission under the Securities Act; and (iii) become effective under the Securities Act. Copies of such registration statement and any amendment thereto have been delivered by the Company to you as the representatives (the “*Representatives*”) of the Underwriters. As used in this Agreement:

(i) “*Applicable Time*” means [·] [a.m.][p.m.] (New York City time) on [·], 2013;

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(ii) “*Effective Date*” means the date and time as of which the Registration Statement, or the most recent post-effective amendment thereto, was declared effective by the Commission;

(iii) “*Issuer Free Writing Prospectus*” means each “issuer free writing prospectus” (as defined in Rule 433(h) under the Securities Act);

(iv) “*Preliminary Prospectus*” means any preliminary prospectus relating to the Stock included in the Registration Statement or filed with the Commission pursuant to Rule 424(b) under the Securities Act;

(v) “*Pricing Disclosure Package*” means, as of the Applicable Time, the most recent Preliminary Prospectus, together with the information included in Schedule IV hereto and each Issuer Free Writing Prospectus filed or used by the Company on or before the Applicable Time, other than a road show that is an Issuer Free Writing Prospectus but is not required to be filed under Rule 433 under the Securities Act;

(vi) “*Prospectus*” means the final prospectus relating to the Stock, as filed with the Commission pursuant to Rule 424(b) under the Securities Act;

(vii) “*Registration Statement*” means the registration statement (File No. 333-189284), as amended as of the Effective Date, relating to the offering, issuance and sale of the Stock including any Preliminary Prospectus or the Prospectus, all exhibits to such registration statement and including the information deemed by virtue of Rule 430A under the Securities Act to be part of such registration statement as of the Effective Date;

(viii) “*Testing-the-Waters Communication*” means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act; and

(ix) “*Written Testing-the-Waters Communication*” means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act.

Any reference to the “*most recent Preliminary Prospectus*” shall be deemed to refer to the latest Preliminary Prospectus included in the Registration Statement or filed pursuant to Rule 424(b) under the Securities Act prior to or on the date hereof. Any registration statement filed pursuant to Rule 462(b) under the Securities Act is herein called the “*Rule 462(b) Registration Statement*” and, after such filing, the term “Registration Statement” shall include the Rule 462(b) Registration Statement. The Commission has not issued any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending the effectiveness of the Registration Statement, and no proceeding or examination for such purpose has been instituted or threatened by the Commission.

(b) *Emerging Growth Company Status.* From the time of initial filing of the Registration Statement with the Commission (or, if earlier, the first date on which the Company engaged directly or through any Person authorized to act on its behalf in any Testing-the-Waters

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Communication) through the date hereof, the Company has been and is an “emerging growth company,” as defined in Section 2(a) of the Securities Act (an “*Emerging Growth Company*”).

(c) *Testing-the-Waters Communications.* The Company (i) has not engaged in any Testing-the-Waters Communication other than Testing-the-Waters Communications with the consent of the Representatives with entities that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501 under the Securities Act and (ii) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company has not distributed or approved for distribution any Written Testing-the-Waters Communications other than those listed on Schedule VII hereto.

(d) *Ineligible Issuer.* The Company was not at the time of initial filing of the Registration Statement and at the earliest time thereafter that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Stock, is not on the date hereof and will not be on the applicable Delivery Date, an “ineligible issuer” (as defined in

Rule 405 under the Securities Act).

(e) *Form of Documents.* The Registration Statement conformed and will conform in all material respects on the Effective Date and on the applicable Delivery Date, and any amendment to the Registration Statement filed after the date hereof will conform in all material respects when filed, to the requirements of the Securities Act and the rules and regulations thereunder. The most recent Preliminary Prospectus conformed, and the Prospectus will conform, in all material respects when filed with the Commission pursuant to Rule 424(b) under the Securities Act and on the applicable Delivery Date to the requirements of the Securities Act and the rules and regulations thereunder.

(f) *No Material Misstatements or Omissions in the Registration Statement.* The Registration Statement did not, as of the Effective Date, 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 not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Registration Statement in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f).

(g) *No Material Misstatements or Omissions in the Prospectus.* The Prospectus will not, as of its date or as of the applicable Delivery Date, contain an 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; *provided* that no representation or warranty is made as to information contained in or omitted from the Prospectus in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f).

(h) *No Material Misstatements or Omissions in the Pricing Disclosure Package.* The Pricing Disclosure Package did not, as of the Applicable Time, contain an untrue statement of a

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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; *provided* that no representation or warranty is made as to information contained in or omitted from the Pricing Disclosure Package in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f).

(i) *No Material Misstatements or Omissions in Issuer Free Writing Prospectuses.* Each Issuer Free Writing Prospectus listed in Schedule V hereto, when taken together with the Pricing Disclosure Package, did not, as of the Applicable Time, contain an 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; *provided* that no representation or warranty is made as to information contained in or omitted from such Issuer Free Writing Prospectus listed in Schedule V hereto in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f).

(j) *No Material Misstatements or Omissions in Written Testing-the-Waters Communications.* Each Written Testing-the-Waters Communication listed in Schedule VII, when taken together with the Pricing Disclosure Package, did not, as of the Applicable Time, contain an 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; *provided* that no representation or warranty is made as to information contained in or omitted from such Written Testing-the-Waters Communication listed on Schedule VII hereto in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f). Each Written Testing-the-Waters Communications did not, as of the Applicable Time, and at all times through the completion of the public offer and sale of the Stock will not, include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, the Pricing Disclosure Package or the Prospectus.

(k) *Issuer Free Writing Prospectuses Conform to the Requirements of the Securities Act.* Each Issuer Free Writing Prospectus conformed or will conform in all material respects to the requirements of the Securities Act and the rules and regulations thereunder on the date of first use, and the Company has complied with all prospectus delivery and any filing requirements applicable to such Issuer Free Writing Prospectus pursuant to the Securities Act and rules and regulations thereunder. The Company has not made any offer relating to the Stock that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Representatives, except as set forth on Schedule VI hereto. The Company has retained in accordance with the Securities Act and the rules and regulations thereunder all Issuer Free Writing Prospectuses that were not required to be filed pursuant to the Securities Act and the rules and regulations thereunder. The Company has taken all actions necessary so that any "road show" (as defined in Rule 433(h) under the Securities Act) in connection with the offering of the Stock will not be required to be filed pursuant to the Securities Act and the rules and regulations thereunder.

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(l) *Financial Statements.* The financial statements and the related notes and supporting schedules thereto included in the most recent Preliminary Prospectus comply as to form in all material respects with the requirements of Regulation S-X under the Securities Act and present fairly the consolidated financial position of the Company and its subsidiaries as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; such financial statements have been prepared in

conformity with generally accepted accounting principles accepted in the United States applied on a consistent basis throughout the periods covered thereby, except to the extent disclosed therein. The other financial information included in the most recent Preliminary Prospectus has been derived from the accounting records of the Company and its subsidiaries and presents fairly in all material respects the information shown thereby.

(m) *No Material Adverse Changes.* Since the date of the most recent audited financial statements included in the most recent Preliminary Prospectus, (i) there has not been any change in the capital stock or long-term debt of the Company or any of its subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company or any of its subsidiaries on any class of equity interests, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, properties, management, financial position or results of operations of the Company and its subsidiaries taken as a whole; (ii) neither the Company nor any of its subsidiaries has entered into any transaction or agreement that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole; (iii) neither the Company nor any of its subsidiaries has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority; and (iv) neither the Company nor any of its subsidiaries has issued or granted any securities; except in each case as otherwise disclosed in the most recent Preliminary Prospectus.

(n) *Organization and Good Standing.* The Company and each of its subsidiaries have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have all power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified, in good standing or have such power or authority would not, individually or in the aggregate, (A) have a material adverse effect on the business, properties, management, financial position or results of operations of the Company and its subsidiaries taken as a whole or (B) materially impair the ability of the Company or any of its subsidiaries to perform their respective obligations under this Agreement and the Merger Agreement (each of clause (A) and (B), a “*Material Adverse Effect*”). Each of the Company and its subsidiaries has all power and authority necessary to own or hold its properties and to conduct the business in which it is engaged as described in the most recent Preliminary Prospectus. The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Schedule VIII hereto.

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(o) *Capitalization.* The Company has an authorized capitalization as set forth in each of the most recent Preliminary Prospectus and the Prospectus under the heading “Capitalization,” and all of the issued shares of capital stock of the Company have been duly authorized and validly issued, are fully paid and non-assessable, conform to the description thereof contained in the most recent Preliminary Prospectus in all material respects and are not subject to any preemptive right, resale right, right of first refusal or similar right. No options, warrants or other rights to purchase or exchange any securities for shares of the Company’s capital stock are outstanding, except as disclosed in the most recent Preliminary Prospectus. All of the issued shares of capital stock or other equity interests of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party (“*Liens*”), except as described in the most recent Preliminary Prospectus.

(p) *Power and Authority.* The Company has full right, power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The Company has or had, as applicable, full right, power and authority to execute and deliver the Merger Agreement and to perform its obligations thereunder.

(q) *Duly Authorized and Validly Issued Shares.* The shares of the Stock to be sold by the Company to the Underwriters hereunder will be duly authorized for issuance and, upon payment and delivery in accordance with this Agreement, will be validly issued, fully paid and non-assessable, will conform to the description thereof contained in the most recent Preliminary Prospectus in all material respects and will be free of statutory or contractual preemptive rights, resale rights, rights of first refusal or similar rights.

(r) *Authorization, Execution and Delivery of the Underwriting Agreement.* This Agreement has been duly authorized, executed and delivered by the Company.

(s) *Authorization and Enforceability of the Reorganization.* The Reorganization has been duly authorized by the Company. Each of the Agreement and Plan of Merger and the Certificate of Merger has been duly authorized, executed and delivered by the Company and, at the Reorganization Effective Time, will constitute a valid and legally binding agreement of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited (A) by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws affecting the enforcement of creditors’ rights generally or by equitable principles (whether considered in a proceeding at law or in equity) relating to enforceability and (B) public policy, applicable law relating to fiduciary duties and indemnification and an implied covenant of good faith and fair dealing (collectively, the “*Enforceability Exceptions*”).

(t) *Merger Agreement.* The Merger Agreement has been duly authorized by the Company and, on or prior to the Initial Delivery Date, will be duly executed and delivered by the Company and, when duly executed and delivered in accordance with its terms by the parties thereto, the Merger Agreement constitutes or will constitute a valid and legally binding agreement of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by the Enforceability Exceptions.

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(u) *Description of Certain Agreements.* Each of the Restated Certificate, the Restated Bylaws, and the Merger Agreement conforms in all material respects to the description thereof contained in the most recent Preliminary Prospectus.

(v) *No Defaults.* Neither the Company nor any of its subsidiaries is (i) in violation of its charter or bylaws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority; except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not, individually or in the aggregate, have a Material Adverse Effect.

(w) *No Conflicts.* The execution, delivery and performance of this Agreement and the Merger Agreement by the Company, the issuance and sale of the Stock, the consummation of the transactions contemplated by this Agreement and the Merger Agreement and the application of the proceeds from the sale of the Stock as described under "Use of Proceeds" in the most recent Preliminary Prospectus will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement, license, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property, right or assets of the Company or any of its subsidiaries is subject; (ii) result in any violation of the provisions of the charter or bylaws or similar organizational documents of the Company or any of its subsidiaries; or (iii) result in any violation of any law or statute or any judgment, order, decree, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation or default that would not, individually or in the aggregate, have a Material Adverse Effect.

(x) *No Consents.* No consent, approval, authorization or order of, or filing, registration or qualification ("*consent*") of or with any court or arbitrator or governmental or regulatory authority is required for (i) the execution, delivery and performance by the Company of this Agreement and the Merger Agreement; (ii) the issuance and sale of the Stock as described in the most recent Preliminary Prospectus; (iii) the consummation of the transactions contemplated by this Agreement and the Merger Agreement; or (iv) the application of the proceeds from the sale of the Stock as described under "Use of Proceeds" in the most recent Preliminary Prospectus, except (A) such as have been, or prior to the Initial Delivery Date will be, obtained or made, (B) for the registration of the Stock under the Securities Act and consents as may be required under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), applicable state securities laws, and the rules of the Financial Industry Regulatory Authority, Inc. ("*FINRA*") in connection with the purchase and sale of the Stock by the Underwriters, (C) for filings that will be made on or prior to the Initial Delivery Date with the Secretary of State of the State of Delaware in connection with the Reorganization, (D) for such

consents that, if not obtained, have not or would not, individually or in the aggregate, have a Material Adverse Effect; and (E) as described in the Registration Statement and the most recent Preliminary Prospectus.

(y) *Legal Proceedings.* Except as described in the most recent Preliminary Prospectus, there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending to which the Company or any of its subsidiaries is or may be a party or to which any property, right or asset of the Company or any of its subsidiaries is or may be the subject that, individually or in the aggregate, if determined adversely to the Company or any of its subsidiaries, could reasonably be expected to have a Material Adverse Effect; and to the knowledge of the Company, no such investigations, actions, suits or proceedings are threatened or contemplated by any governmental or regulatory authority or by others.

(z) *Independent Accountants.* KPMG LLP, which has certified certain financial statements of the Company and its subsidiaries is an independent public accounting firm with respect to the Company and its subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(aa) *Reserve Data.* The oil and natural gas reserve estimates of the Company and its subsidiaries as of June 30, 2013 and as of December 31, 2010, 2011 and 2012 contained in the most recent Preliminary Prospectus are derived from reports that have been audited (or, in the case of the estimates as of December 31, 2010, prepared) by either (a) DeGolyer and MacNaughton or (b) Ryder Scott Company, L.P., as set forth and to the extent indicated therein; and such estimates fairly reflect, in all material respects, the oil and natural gas reserves of the Company and its subsidiaries, at the dates indicated therein and are in accordance, in all material respects, with Commission rules and guidelines that are currently in effect for oil and gas producing companies applied on a consistent basis throughout the periods covered.

(bb) *Independent Petroleum Engineers.* Each of DeGolyer and MacNaughton and Ryder Scott Company, L.P. have represented to the Company that they are, and the Company believes them to be, independent petroleum engineers with respect to the Company and its subsidiaries for the periods set forth in the most recent Preliminary Prospectus.

(cc) *Title to Properties.* The Company and its subsidiaries have good and marketable title to, or have valid rights to lease or otherwise use, all items of real property and personal property that are material to the respective businesses of the Company and its subsidiaries, in each case free and clear of all Liens except those that (i) do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries or (ii) could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(dd) *Intellectual Property.* The Company and its subsidiaries own or possess adequate rights to use all material patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses and know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) necessary for the conduct of their respective businesses,

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except as could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(ee) *No Undisclosed Relationships.* No relationship, direct or indirect, exists between or among the Company or any of its subsidiaries, on the one hand, and the directors, officers, stockholders or other affiliates of the Company or any of its subsidiaries, on the other hand, that is required by the Securities Act to be described in the most recent Preliminary Prospectus which is not so described.

(ff) *Investment Company Act.* Neither the Company nor any of its subsidiaries is, and as of the applicable Delivery Date and, after giving effect to the offer and sale of the Stock and the application of the proceeds therefrom as described under "Use of Proceeds" in the most recent Preliminary Prospectus and the Prospectus, none of them will be, (i) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder (collectively, the "*Investment Company Act*") or (ii) a "business development company" (as defined in Section 2(a)(48) of the Investment Company Act).

(gg) *Taxes.* Except as disclosed in the most recent Preliminary Prospectus, the Company and its subsidiaries have paid all federal, state, local and foreign taxes and filed all tax returns required to be paid or filed through the date hereof, and except as otherwise disclosed in the most recent Preliminary Prospectus or as would not, individually or in the aggregate, have a Material Adverse Effect, there is no tax deficiency that has been, or could reasonably be expected to be, asserted against the Company or any of its subsidiaries or any of their respective properties or assets.

(hh) *Licenses and Permits.* The Company and its subsidiaries possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities ("*Permits*") that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in the most recent Preliminary Prospectus, except where the failure to possess or make the same would not, individually or in the aggregate, have a Material Adverse Effect; and except as described in the most recent Preliminary Prospectus, neither the Company nor any of its subsidiaries has received notice of any revocation or modification of any such Permits or has any reason to believe that any such Permits will not be renewed in the ordinary course.

(ii) *No Labor Disputes.* No labor disturbance by or dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is contemplated or threatened, and the Company is not aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of the Company's or any of the Company's subsidiaries' contractors, except as could not reasonably be expected to have a Material Adverse Effect.

(jj) *Environmental Laws.* Except as described in the most recent Preliminary Prospectus: (i) the Company and its subsidiaries (x) are and, during the relevant time periods specified in all applicable statutes of limitations, have been in compliance with all applicable federal, state, local and foreign laws, rules, regulations, requirements, decisions and orders

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relating to the protection of human health or safety (to the extent such human health or safety protection is related to exposure to hazardous or toxic substances or wastes, pollutants or contaminants), the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "*Environmental Laws*"), (y) have received and are in compliance with all permits, licenses, certificates or other authorizations or approvals required of them under applicable Environmental Laws to conduct their respective businesses and (z) have not received any written notice of any actual or potential liability under or relating to any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and have no knowledge of any event or condition that would reasonably be expected to result in any such notice; (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Company or its subsidiaries, except in the case of each of (i) and (ii) above, for any such failure to comply, or failure to receive required permits, licenses or approvals, or cost or liability, as would not, individually or in the aggregate, have a Material Adverse Effect; and (iii) there are no proceedings that are pending or, to the knowledge of the Company, threatened against the Company or any of its subsidiaries under any Environmental Laws in which a governmental authority is also a party, other than such proceedings regarding which it is reasonably believed no monetary sanctions of \$100,000 or more will be imposed.

(kk) *Compliance with ERISA.* Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*"), that is maintained, administered or contributed to by the Company or any of its affiliates for employees or former employees of the Company and its affiliates has been maintained in compliance in all material respects with its terms and the requirements of any applicable statutes, orders, rules and regulations, including, but not limited to, ERISA and the Internal Revenue Code of 1986, as amended (the "*Code*"); no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any such plan excluding transactions effected pursuant to a statutory or administrative exemption, and transactions which, individually or in the aggregate, would not have a Material Adverse Effect, and no such plan is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA; and neither the Company nor any of its

subsidiaries has any reasonable expectation of incurring any liabilities under Title IV of ERISA.

(ll) *Disclosure Controls.* The Company and its subsidiaries maintain an effective system of disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) that is designed to ensure that information required to be disclosed by the Company and its subsidiaries in reports that the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management, including its principal executive officer(s) and principal financial officer(s), as appropriate to allow timely decisions regarding required disclosure to be made. The Company's disclosure controls and procedures are effective in all material respects to perform the functions for which they were established. The Company and its subsidiaries have carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 15d-15(b) of the Exchange Act.

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(mm) *Accounting Controls.* The Company and its subsidiaries maintain systems of "internal control over financial reporting" (as such term is defined in Rule 15d-15(f) of the Exchange Act) that complies with the requirements of the Exchange Act and that has been designed by, or under the supervision of, the Company's principal executive officer(s) and principal financial officer(s), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States, including, but not limited to, internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of the Company's consolidated financial statements in conformity with U.S. generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and (v) interactive data in eXtensible Business Reporting Language is prepared in accordance with the Commission's rules and guidelines applicable thereto. As of the date of the most recent balance sheet of the Company and its consolidated subsidiaries reviewed or audited by KPMG LLP, there were no material weaknesses or significant deficiencies in the internal controls of the Company.

(nn) *Insurance.* The Company and its subsidiaries have insurance covering their respective properties, operations, personnel and businesses, which insurance is in reasonable amounts and insures against such losses and risks as are reasonably adequate to protect the Company and its subsidiaries and their respective businesses; and neither the Company nor any of its subsidiaries has (i) received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business.

(oo) *No Unlawful Payments.* Neither the Company nor any of its subsidiaries, nor, to the knowledge of the Company, any director, officer, agent, employee or other person associated with or acting on behalf of the Company or any of its subsidiaries, has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977; (iv) violated or is in violation of any provision of the Bribery Act 2010 of the United Kingdom; or (v) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

(pp) *Compliance with Money Laundering Laws.* The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "*Money Laundering Laws*") and no action, suit or proceeding by or before any court or governmental agency,

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authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(qq) *OFAC.* None of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company or any of its subsidiaries is currently the subject or the target of any sanctions ("*Sanctions*") administered or enforced by the U.S. Office of Foreign Assets Control of the U.S. Department of the Treasury ("*OFAC*"); and the Company will not directly or indirectly use the proceeds of the offering of the Stock hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund any activities of or business with any person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions or (ii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

(rr) *No Restrictions on Subsidiaries.* Except as disclosed in the Registration Statement and the most recent Preliminary Prospectus, no subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such

subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(ss) *No Brokers.* Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or any Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Stock or the Reorganization.

(tt) *No Integration.* The Company has not, directly or through any agent, issued, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act), that is or will be integrated with the offering and sale of the Stock contemplated by this Agreement pursuant to the Securities Act, the rules and regulations thereunder or the interpretations thereof by the Commission.

(uu) *Private Placement.* The issuance of Common Stock to the Selling Stockholder pursuant to the Merger Agreement is exempt from the registration requirements of the Securities Act and the securities laws of any state having jurisdiction with respect thereto, and none of the Company, its subsidiaries or the Selling Stockholder has taken or will take any action that would cause the loss of such exemption.

(vv) *Stabilization.* Except as disclosed in the most recent Preliminary Prospectus, the Company and its affiliates have not taken, directly or indirectly, any action designed to or that has constituted or that could reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in connection with the offering of the shares of the Stock.

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(ww) *Statistical and Market-Related Data.* Nothing has come to the attention of the Company that has caused the Company to believe that the statistical and market-related data included in the most recent Preliminary Prospectus and the consolidated financial statements included in the most recent Preliminary Prospectus are not based on or derived from sources that are reliable and accurate in all material respects.

(xx) *Sarbanes-Oxley.* There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the "*Sarbanes-Oxley Act*") applicable to the Company, including Section 402 related to loans and Sections 302 and 906 related to certifications.

(yy) *No Changes in Internal Controls.* Since the date of the most recent balance sheet of the Company and its consolidated subsidiaries reviewed or audited by KPMG LLP, (i) the Company has not been advised of or become aware of (A) any significant deficiencies in the design or operation of internal controls that could adversely affect the ability of the Company or any of its subsidiaries to record, process, summarize and report financial data, or any material weaknesses in internal controls, and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the internal controls of the Company and each of its subsidiaries; and (ii) there have been no significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

(zz) *Critical Accounting Policies.* The section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" set forth in the most recent Preliminary Prospectus accurately and fully describes (i) the accounting policies that the Company believes are the most important in the portrayal of the Company's financial condition and results of operations and that require management's most difficult, subjective or complex judgments ("*Critical Accounting Policies*"); (ii) the judgments and uncertainties affecting the application of Critical Accounting Policies; and (iii) the likelihood that materially different amounts would be reported under different conditions or using different assumptions and an explanation thereof.

(aaa) *Contracts to be Described or Filed.* There are no contracts or other documents required to be described in the Registration Statement or the most recent Preliminary Prospectus or filed as exhibits to the Registration Statement, that are not described and filed as required. The statements made in the most recent Preliminary Prospectus, insofar as they purport to constitute summaries of the terms of the contracts and other documents described and filed, constitute accurate summaries of the terms of such contracts and documents in all material respects. To the Company's knowledge, no other party to any such contract or other document has any intention not to render full performance as contemplated by the terms thereof.

(bbb) *Summaries of Law.* The statements made in the most recent Preliminary Prospectus under the captions "Business—Regulation of the Oil and Natural Gas Industry"; "Business—Regulation of Environmental and Occupational Safety and Health Matters"; "Business—Legal Proceedings"; "Certain Relationships and Related Party Transactions"; "Corporate Reorganization"; "Description of Capital Stock"; "Shares Eligible for Future Sale"

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and "Material U.S. Federal Income and Estate Tax Considerations for Non-U.S. Holders," insofar as they purport to constitute summaries of the terms of statutes, rules or regulations, legal or governmental proceedings or contracts and other documents, constitute accurate summaries of the terms of such statutes, rules and regulations, legal and governmental proceedings and contracts and other documents in all material respects.

(ccc) *Additional Registration Statements.* Except as described in the most recent Preliminary Prospectus, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to

file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act.

(ddd) *NYSE Listing of Common Shares.* The Stock has been approved for listing, subject to official notice of issuance and evidence of satisfactory distribution on, The New York Stock Exchange.

(eee) *Distribution of Offering Materials.* The Company has not distributed and, prior to the later to occur of any Delivery Date and completion of the distribution of the Stock, will not distribute any offering material in connection with the offering and sale of the Stock other than any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus to which the Representatives have consented in accordance with Section 1(k) or Section 6(a) and any Issuer Free Writing Prospectus set forth on Schedule VI hereto and, in connection with the Directed Share Program described in Section 4, the enrollment materials prepared by Barclays Capital Inc. on behalf of the Company.

(fff) *Directed Shares.* None of the Directed Shares distributed in connection with the Directed Share Program (each as defined in Section 4) will be offered or sold outside of the United States. The Company has not offered, or caused Barclays Capital Inc. to offer, Stock to any person pursuant to the Directed Share Program with the specific intent to unlawfully influence (i) a customer or supplier of the Company to alter the customer's or supplier's level or type of business with the Company or (ii) a trade journalist or publication to write or publish favorable information about the Company, its business or its products.

Any certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Stock shall be deemed a representation and warranty by the Company, as to matters covered thereby, to each Underwriter.

2. *Representations, Warranties and Agreements of the Selling Stockholder.* The Selling Stockholder represents, warrants and agrees that:

(a) *No Use of Free Writing Prospectus.* Neither the Selling Stockholder nor any person acting on behalf of the Selling Stockholder (other than, if applicable, the Company and the Underwriters) has used or referred to any "free writing prospectus" (as defined in Rule 405 under the Securities Act) relating to the Stock.

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(b) *Title to Securities.* Upon consummation of the Reorganization and on any Delivery Date on which the Selling Stockholder is selling shares of ARI Option Stock, the Selling Stockholder will have good and marketable title to the shares of ARI Option Stock to be sold by the Selling Stockholder hereunder on such Delivery Date free and clear of all Liens. Upon (i) payment for the ARI Option Stock to be sold by such Selling Stockholder pursuant to this Agreement, (ii) delivery of such ARI Option Stock, as directed by the Underwriters, to Cede & Co. ("*Cede*") or such other nominee as may be designated by The Depository Trust Company ("*DTC*"), (iii) registration of such ARI Option Stock in the name of DTC, Cede or such other nominee and (iv) DTC indicating by book entries on its books that security entitlements with respect to such ARI Option Stock have been credited to the Underwriters' respective securities accounts, (A) DTC will acquire good and marketable title to the ARI Option Stock free and clear of all Liens; (B) DTC shall be a "protected purchaser" of such ARI Option Stock within the meaning of Section 8-303 of the New York Uniform Commercial Code (the "*UCC*") (assuming DTC does not have notice of any adverse claim with respect to such ARI Option Stock); (C) under Section 8-501 of the UCC, the Underwriters will acquire a valid security entitlement in respect of such ARI Option Stock; and (D) an action based on an "adverse claim" (as defined in Section 8-102 of the UCC) to such securities entitlement, whether framed in conversion, replevin, constructive trust, equitable lien or other theory may not be asserted against the Underwriters with respect to such security entitlement (assuming that the Underwriters are purchasing such ARI Option Stock without notice of any adverse claim). For purposes of this representation, such Selling Stockholder may assume that when such payment, delivery and crediting occur, (x) such ARI Option Stock will have been registered in the name of Cede or another nominee designated by DTC, in each case on the Company's share registry in accordance with its certificate of incorporation, bylaws and applicable law, (y) DTC will be registered as a "clearing corporation" within the meaning of Section 8-102 of the UCC, and (z) appropriate entries to the accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC.

(c) *Due Authorization.* The Selling Stockholder has full right, power and authority, corporate or otherwise, to enter into this Agreement and to perform its obligations hereunder.

(d) *Authorization, Execution and Delivery of the Underwriting Agreement.* This Agreement has been duly authorized, executed and delivered by or on behalf of the Selling Stockholder.

(e) *No Defaults.* The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not result in (i) a breach or violation of the Selling Stockholder's charter or bylaws or similar organization documents; (ii) default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Selling Stockholder is bound or to which any of the property or assets of the Selling Stockholder is subject; or (iii) violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (ii) and (iii) above, for any such default of violation that would not, individually or in the aggregate, have a Material Adverse Effect.

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(f) *No Consents.* No consent with any court or arbitrator or governmental or regulatory authority is required for (i) the sale of the Stock by the Selling Stockholder, (ii) the execution, delivery and performance by the Selling Stockholder of this Agreement and (iii) the consummation by the Selling Stockholder of the transactions contemplated by this Agreement, except (A) such as have been, or prior to the Initial Delivery Date will be, obtained or made, (B) for the registration of the Stock under the Securities Act, consents required under the Exchange Act, applicable state securities laws, and the rules of FINRA in connection with the purchase and sale of the Stock by the Underwriters, (C) for such that, if not obtained, have not or would not, individually or in the aggregate, have a Material Adverse Effect, and (D) as described in the Registration Statement and the most recent Preliminary Prospectus.

(g) *Affirmation of Representations and Warranties.* In respect of any statements in or omissions from the Registration Statement, Prospectus, Pricing Disclosure Package, any Issuer Free Writing Prospectuses listed on Schedule V hereto or any Written Testing-the-Water Communications listed in Schedule VII hereto, or any amendment or supplement thereto used by the Company or any Underwriter, as the case may be, made in reliance upon and in conformity with information furnished to the Company by the Selling Stockholder specifically for use in connection with the preparation thereof, the Selling Stockholder hereby makes the same representations and warranties to each of the Underwriters as the Company makes under Sections 1(f)-1(j); it being understood and agreed that the foregoing applies only to such information furnished by the Selling Stockholder to the Company, which consists of (A) the legal name, address and the number of shares of Common Stock owned by the Selling Stockholder, and (B) the other information with respect to the Selling Stockholder (excluding percentages) which appear in the table (and corresponding footnotes) under the caption “Principal and Selling Stockholders” (collectively, the “*Selling Stockholder Information*”).

(h) *No Other Obligations to Sell Common Stock.* The Selling Stockholder is not prompted to sell shares of Common Stock by any information concerning the Company that is not set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(i) *Stabilization.* Except as disclosed in the most recent Preliminary Prospectus, the Selling Stockholder has not taken, directly or indirectly, any action that is designed to or that has constituted or that could reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in connection with the offering of the shares of the Stock.

Any certificate signed by an officer of the Selling Stockholder and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Stock shall be deemed a representation and warranty by such Selling Stockholder, as to matters covered thereby, to each Underwriter.

3. *Purchase of the Stock by the Underwriters.* On the basis of the representations, warranties and covenants contained in, and subject to the terms and conditions of, this Agreement, the Company agrees to sell [·] shares of the Firm Stock to the several Underwriters, and each of the Underwriters, severally and not jointly, agrees to purchase the number of shares of the Firm Stock set forth opposite that Underwriter’s name in Schedule I hereto. The respective purchase obligations of the Underwriters with respect to the Firm Stock shall be

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rounded among the Underwriters to avoid fractional shares, as the Representatives may determine.

In addition, the Selling Stockholder grants to the Underwriters an option to purchase up to [·] additional shares of Option Stock, and the Company grants to the Underwriters an option to purchase up to [·] shares of Option Stock, severally and not jointly. Such options are exercisable in the event that the Underwriters sell more shares of Common Stock than the number of shares of Firm Stock in the offering and as set forth in Section 5 hereof. Any such election to purchase Option Stock shall be made initially with respect to the ARI Option Stock to be sold by the Selling Stockholder and then with respect to the Company Option Stock to be sold by the Company. Each Underwriter agrees, severally and not jointly, to purchase the number of shares of Option Stock (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of shares of Option Stock to be sold on such Delivery Date as the number of shares of Firm Stock set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of shares of Firm Stock.

The purchase price payable by the Underwriters for both the Firm Stock and any Option Stock is \$[·] per share.

Neither the Company nor the Selling Stockholder shall be obligated to deliver any of the Firm Stock or Option Stock to be delivered on the applicable Delivery Date, except upon payment for all such Stock to be purchased on such Delivery Date as provided herein.

4. *Offering of Stock by the Underwriters.* Upon authorization by the Representatives of the release of the Firm Stock, the several Underwriters propose to offer the Firm Stock for sale upon the terms and conditions to be set forth in the Prospectus.

It is understood that approximately [·] shares of the Firm Stock (the “*Directed Shares*”) will initially be reserved by the several Underwriters for offer and sale upon the terms and conditions to be set forth in the most recent Preliminary Prospectus and in accordance with the rules and regulations of FINRA to employees of the Company and its subsidiaries and persons having business relationships with the Company and its subsidiaries who have heretofore delivered to Barclays Capital Inc. offers or indications of interest to purchase shares of Firm Stock in form satisfactory to Barclays Capital Inc. (such program, the “*Directed Share Program*”) and that any allocation of such Firm Stock among such persons will be made in accordance with timely directions received by Barclays Capital Inc. from the Company; *provided* that under no circumstances will Barclays Capital Inc. or any Underwriter be liable to the Company or to any such person for any action taken or omitted in good faith in connection with such Directed Share Program. It is further understood that any Directed Shares not affirmatively reconfirmed for purchase by any participant in the Directed Share Program by [·]:00 a.m., New York

City time, on the first business day following the date hereof or otherwise are not purchased by such persons will be offered by the Underwriters to the public upon the terms and conditions set forth in the Prospectus.

The Company agrees to pay all fees and disbursements incurred by the Underwriters in connection with the Directed Share Program and any stamp duties or other taxes incurred by the Underwriters in connection with the Directed Share Program.

5. Delivery of and Payment for the Stock. Delivery of and payment for the Firm Stock shall be made at [10:00] a.m., New York City time, on [·], 2013 or at such other date or place as shall be determined by agreement between the Representatives and the Company. This date and time are sometimes referred to as the “**Initial Delivery Date.**” Delivery of the Firm Stock shall be made to the Representatives for the account of each Underwriter against payment by the several Underwriters through the Representatives of the respective aggregate purchase prices of the Firm Stock being sold by the Company to or upon the order of the Company of the purchase price by wire transfer in immediately available funds to the accounts specified by the Company. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each Underwriter hereunder. The Company shall deliver the Firm Stock through the facilities of DTC unless the Representatives shall otherwise instruct.

The options granted in Section 3 will expire 30 days after the date of this Agreement and may be exercised in whole or from time to time in part by written notice being given to the Selling Stockholder and the Company, as applicable, by the Representatives; *provided* that if such date falls on a day that is not a business day, the options granted in Section 3 will expire on the next succeeding business day. Such notice shall set forth the aggregate number of shares of Option Stock as to which the options are being exercised, the names in which the shares of Option Stock are to be registered, the denominations in which the shares of Option Stock are to be issued and the date and time, as determined by the Representatives, when the shares of Option Stock are to be delivered; *provided, however*, that this date and time when the shares of Option Stock are to be delivered shall not be earlier than the Initial Delivery Date nor earlier than the second business day after the date on which the options shall have been exercised nor later than the fifth business day after the date on which the options shall have been exercised. Each date and time the shares of Option Stock are delivered is sometimes referred to as an “**Option Stock Delivery Date,**” and the Initial Delivery Date and any Option Stock Delivery Date are sometimes each referred to as a “**Delivery Date.**”

Delivery of the Option Stock by the Selling Stockholder and the Company and payment for the Option Stock by the several Underwriters through the Representatives shall be made at [10:00] a.m., New York City time, on the date specified in the corresponding notice described in the preceding paragraph or at such other date or place as shall be determined by agreement between the Representatives and the Selling Stockholder and/or the Company, as applicable. On each Option Stock Delivery Date, the Selling Stockholder and/or the Company, as applicable, shall deliver or cause to be delivered the Option Stock to the Representatives for the account of each Underwriter against payment by the several Underwriters through the Representatives and of the respective aggregate purchase prices of the Option Stock being sold by the Selling Stockholder and/or the Company, as applicable, to or upon the order of the Selling Stockholder and/or the Company, as applicable, of the purchase price by wire transfer in immediately available funds to the accounts specified by the Selling Stockholder and/or the Company, as applicable. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each Underwriter hereunder. The

Selling Stockholder and the Company shall deliver the Option Stock through the facilities of DTC unless the Representatives shall otherwise instruct.

6. Further Agreements of the Company. The Company agrees:

(a) To prepare the Prospectus in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Securities Act not later than the Commission’s close of business on the second business day following the execution and delivery of this Agreement; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Delivery Date except as provided herein; to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment or supplement to the Registration Statement or the Prospectus has been filed and to furnish the Representatives with copies thereof; to advise the Representatives, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus, of the suspension of the qualification of the Stock for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding or examination for any such purpose or of any request by the Commission for the amending or supplementing of the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal.

(b) To furnish promptly to each of the Representatives and to counsel for the Underwriters a signed copy of the Registration Statement as originally filed with the Commission, and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith.

(c) To deliver promptly to the Representatives such number of the following documents as the Representatives shall reasonably request: (A) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement and the computation of per share earnings), (B) each Preliminary Prospectus, the Prospectus and any amended or supplemented Prospectus, and (C) each Issuer Free Writing

Prospectus; and, if the delivery of a prospectus is required at any time after the date hereof in connection with the offering or sale of the Stock or any other securities relating thereto and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary to amend or supplement the Prospectus in order to comply with the Securities Act, to notify the Representatives and, upon their request, to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of an amended or supplemented Prospectus that will correct such statement or omission or effect such compliance.

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(d) To file promptly with the Commission any amendment or supplement to the Registration Statement or the Prospectus that may, in the judgment of the Company or the Representatives, be required by the Securities Act or requested by the Commission.

(e) Prior to filing with the Commission any amendment or supplement to the Registration Statement or the Prospectus, to furnish a copy thereof to the Representatives and counsel for the Underwriters, and not to file any such amendment or supplement to which the Representatives reasonably object.

(f) Not to make any offer relating to the Stock that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Representatives.

(g) To comply with all applicable requirements of Rule 433 under the Securities Act with respect to any Issuer Free Writing Prospectus. If at any time after the date hereof any events shall have occurred as a result of which any Issuer Free Writing Prospectus, as then amended or supplemented, would conflict with the information in the Registration Statement, the most recent Preliminary Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or, if for any other reason it shall be necessary to amend or supplement any Issuer Free Writing Prospectus, to notify the Representatives and, upon their request, to file such document and to prepare and furnish without charge to each Underwriter as many copies as the Representatives may from time to time reasonably request of an amended or supplemented Issuer Free Writing Prospectus that will correct such conflict, statement or omission or effect such compliance.

(h) As soon as practicable after the Effective Date (it being understood that the Company shall have until at least 410 days or, if the fourth quarter following the fiscal quarter that includes the Effective Date is the last fiscal quarter of the Company's fiscal year, 455 days after the end of the Company's current fiscal quarter), to make generally available to the Company's security holders and to deliver to the Representatives (or make available through the Commission's Electronic Data Gathering, Analysis and Retrieval System) an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act and the rules and regulations thereunder (including, at the option of the Company, Rule 158 under the Securities Act).

(i) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Stock for offering and sale under the securities or Blue Sky laws of Canada and such other jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Stock; *provided* that in connection therewith the Company shall not be required to (i) qualify as a foreign corporation in any jurisdiction in which it would not otherwise be required to so qualify; (ii) file a general consent to service of process in any such jurisdiction; or (iii) subject itself to taxation in any jurisdiction in which it would not otherwise be subject.

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(j) For a period commencing on the date hereof and ending on the 180th day after the date of the Prospectus (the "**Lock-Up Period**"), not to, directly or indirectly, (A) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock (other than the Stock and shares of Common Stock and securities convertible into or exchangeable for Common Stock issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans existing on the date hereof or described in the most recent Preliminary Prospectus), or sell or grant options, rights or warrants with respect to any shares of Common Stock or securities convertible into or exchangeable for Common Stock (other than the grant of options pursuant to employee benefit plans, option plans, qualified stock option plans or other employee compensation plans existing on the date hereof or described in the most recent Preliminary Prospectus), (B) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such shares of Common Stock, whether any such transaction described in clause (A) or clause (B) is to be settled by delivery of Common Stock or other securities, in cash or otherwise, (C) file or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of Common Stock or securities convertible, exercisable or exchangeable into Common Stock or any other securities of the Company (other than any registration statement on Form S-8), or (D) publicly disclose the intention to do any of the foregoing, in each case without the prior written consent of Barclays Capital Inc., on behalf of the Underwriters, and to cause each officer, director and stockholder of the Company set forth on Schedule III hereto to furnish to the

Representatives, prior to the Initial Delivery Date, a letter or letters, substantially in the form of Exhibit A hereto (the “*Lock-Up Agreements*”).

(k) If Barclays Capital Inc., in its sole discretion, agrees to release or waive the restrictions set forth in a Lock-Up Agreement for an officer, director or stockholder of the Company and provides the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by issuing a press release substantially in the form of Exhibit B hereto, and containing such other information as Barclays Capital Inc. may require with respect to the circumstances of the release or waiver and/or the identity of the officer(s), director(s) or stockholder(s) with respect to which the release or waiver applies, through a major news service at least two business days before the effective date of the release or waiver.

(l) To apply the net proceeds from the sale of the Stock being sold by the Company substantially in accordance with the description as set forth in the Prospectus under the caption “Use of Proceeds.”

(m) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Securities Act.

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(n) If the Company elects to rely upon Rule 462(b) under the Securities Act, the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) under the Securities Act by 10:00 p.m., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing pay the Commission the filing fee for the Rule 462(b) Registration Statement.

(o) In connection with the Directed Share Program, at the request of Barclays Capital Inc., the Company will direct the transfer agent to place stop transfer restrictions upon such securities for such period of time as is consistent with Section 6(j) to ensure that the Directed Shares will be restricted from sale, transfer, assignment, pledge or hypothecation to the same extent as sales and dispositions of Common Stock by the Company are restricted pursuant to Section 6(j). Barclays Capital Inc. will notify the Company as to which Directed Share Participants will need to be so restricted.

(p) The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to December 31, 2013.

(q) If at any time following the distribution of any Written Testing-the-Waters Communication there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission. The Company will promptly notify the Representatives of (A) any distribution by the Company of Written Testing-the-Waters Communications or (B) any request by the Commission for information concerning the Written Testing-the-Waters Communications.

(r) Except as disclosed in the most recent Preliminary Prospectus, the Company and its affiliates will not take, directly or indirectly, any action designed to or that has constituted or that reasonably would be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in connection with the offering of the Stock.

(s) Prior to the Initial Delivery Date, the Company will file, or cause to be filed, all notices, reports, documents or other information, and will obtain any and all authorizations, approvals, orders, consents, licenses, certificates, permits, registrations or qualifications, in each case necessary to consummate the Reorganization in accordance with all applicable laws and as described in the most recent Preliminary Prospectus.

(t) The Company will do and perform all things required or necessary to be done and performed under this Agreement by it prior to each Delivery Date, and to satisfy all conditions precedent to the Underwriters’ obligations hereunder to purchase the Stock.

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7. *Further Agreements of the Selling Stockholder.*

(a) Neither the Selling Stockholder nor any person acting on behalf of the Selling Stockholder (other than, if applicable, the Company and the Underwriters) shall use or refer to any “free writing prospectus” (as defined in Rule 405 under the Securities Act), relating to the Stock.

(b) The Selling Stockholder will deliver to the Underwriters prior to or at the Initial Delivery Date a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by Treasury Department regulations in lieu thereof).

(c) Except as set forth in the most recent Preliminary Prospectus, the Selling Stockholder will not to take, directly or indirectly, any action designed to or that has constituted or that reasonably would be expected to cause or result in the stabilization or

manipulation of the price of any security of the Company in connection with the offering of the Stock.

(d) The Selling Stockholder agrees to do and perform all things required or necessary to be done and performed under this Agreement by it prior to each Delivery Date, and to satisfy all conditions precedent to the Underwriters' obligations hereunder to purchase the Stock.

8. *Expenses.* The Company agrees, whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, to pay all expenses, costs, fees and taxes incident to and in connection with (a) the authorization, issuance, sale and delivery of the Stock and any stamp duties or other taxes payable in that connection, and the preparation and printing of certificates for the Stock; (b) the preparation, printing and filing under the Securities Act of the Registration Statement (including any exhibits thereto), any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, and any amendment or supplement thereto; (c) the distribution of the Registration Statement (including any exhibits thereto), any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, and any amendment or supplement thereto, all as provided in this Agreement; (d) the production and distribution of this Agreement, any supplemental agreement among Underwriters, and any other related documents in connection with the offering, purchase, sale and delivery of the Stock; (e) any required review by the FINRA of the terms of sale of the Stock; (f) the listing of the Stock on the New York Stock Exchange and/or any other exchange; (g) the qualification of the Stock under the securities laws of the several jurisdictions as provided in Section 6(i) and the preparation, printing and distribution of a Blue Sky Memorandum (including related fees and expenses of counsel to the Underwriters); (h) the preparation, printing and distribution of one or more versions of the Preliminary Prospectus and the Prospectus for distribution in Canada, including in the form of a Canadian "wrapper" (including related fees and expenses of Canadian counsel to the Underwriters); (i) any Independent Underwriter (as defined in Section 10(h)); (j) the offer and sale of shares of the Stock by the Underwriters in connection with the Directed Share Program, including the fees and disbursements of counsel to the Underwriters related thereto, the costs and expenses of preparation, printing and distribution of the Directed Share Program material and all stamp duties or other taxes incurred by the Underwriters in connection with the Directed Share Program; (k) the investor presentations on

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any "road show" or any Testing-the-Waters Communication, undertaken in connection with the marketing of the Stock, including, without limitation, expenses associated with any electronic road show, travel and lodging expenses of the representatives and officers of the Company and one-half of the cost of any aircraft chartered in connection with the road show; and (l) all other costs and expenses incident to the performance of the obligations of the Company and the Selling Stockholder under this Agreement; *provided* that, except as provided in this Section 8 and in Section 13, the Underwriters shall pay their own costs and expenses, including the costs and expenses of their counsel, any transfer taxes on the Stock which they may sell and the expenses of advertising any offering of the Stock made by the Underwriters.

9. *Conditions of Underwriters' Obligations.* The respective obligations of the Underwriters hereunder are subject to the accuracy, when made and on each Delivery Date, of the representations and warranties of the Company and the Selling Stockholder contained herein, to the performance by the Company and the Selling Stockholder of their respective obligations hereunder, and to each of the following additional terms and conditions:

(a) The Prospectus shall have been timely filed with the Commission in accordance with Section 6(a). The Company shall have complied with all filing requirements applicable to any Issuer Free Writing Prospectus used or referred to after the date hereof; no stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus shall have been issued and no proceeding or examination for such purpose shall have been initiated or threatened by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with. If the Company has elected to rely upon Rule 462(b) under the Securities Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 p.m., Washington, D.C. time, on the date of this Agreement.

(b) No Underwriter shall have discovered and disclosed to the Company on or prior to such Delivery Date that (i) the Registration Statement, or any amendment or supplement thereto, contains an untrue statement of a fact which, in the opinion of Latham & Watkins LLP, counsel for the Underwriters, is material or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading or (ii) the Prospectus or the Pricing Disclosure Package, or any amendment or supplement thereto, contains an untrue statement of a fact which, in the opinion of Latham & Watkins LLP, counsel for the Underwriters, is material or omits to state a fact which, in the opinion of such counsel is material and is necessary to make the statements therein, in the light of the circumstances existing on such Delivery Date, not misleading.

(c) All corporate and limited liability company proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Merger Agreement, the Reorganization, the Stock, the Registration Statement, the Prospectus and any Issuer Free Writing Prospectus, and all other legal matters relating to this Agreement and the Reorganization and the transactions contemplated hereby and thereby shall be reasonably satisfactory in all material respects to counsel for the Underwriters, and the Company and the Selling Stockholder shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

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(d) Vinson & Elkins L.L.P. shall have furnished to the Representatives its written opinion, as counsel to the Company, addressed to the Underwriters and dated such Delivery Date, in form and substance reasonably satisfactory to the Representatives,

substantially in the form attached hereto as Exhibit C-1.

(e) Vinson & Elkins L.L.P. shall have furnished to the Representatives its written opinion, as counsel to the Selling Stockholder, addressed to the Underwriters and dated such Delivery Date, in form and substance reasonably satisfactory to the Representatives, substantially in the form attached hereto as Exhibit C-2.

(f) The Representatives shall have received from Latham & Watkins LLP, counsel for the Underwriters, such opinion or opinions, dated such Delivery Date, with respect to the issuance and sale of the Stock, the Registration Statement, the Prospectus and the Pricing Disclosure Package and other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

(g) At the time of execution of this Agreement, the Representatives shall have received from KPMG LLP a letter, in form and substance satisfactory to the Representatives, addressed to the Underwriters and dated the date hereof (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission and (ii) stating, as of the date hereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the most recent Preliminary Prospectus, as of a date not more than three days prior to the date hereof), the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings.

(h) With respect to the letter of KPMG LLP referred to in the preceding paragraph and delivered to the Representatives concurrently with the execution of this Agreement (the "*initial letter*"), the Company shall have furnished to the Representatives a letter (the "*bring-down letter*") of such accountants, addressed to the Underwriters and dated such Delivery Date (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission; (ii) stating, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than three days prior to the date of the bring-down letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by the initial letter; and (iii) confirming in all material respects the conclusions and findings set forth in the initial letter.

(i) At the time of execution of this Agreement, the Representatives shall have received from each of DeGolyer and MacNaughton and Ryder Scott Company, L.P. an initial letter (the "*initial expert letter*"), in form and substance satisfactory to the Representatives, addressed to the Underwriters and dated the date hereof and a subsequent letter dated as of the

Delivery Date, which such letter shall cover the period from any initial expert letter to the Delivery Date, stating the conclusions and findings of such firm with respect to the reserve and other operational information and other matters as is customary to underwriters in connection with registered public offerings.

(j) The Company shall have furnished to the Representatives a certificate, dated such Delivery Date, of its Chief Executive Officer and its Chief Financial Officer as to such matters as the Representatives may reasonably request, including, without limitation, a statement:

(i) That the representations, warranties and agreements of the Company in Section 1 are true and correct on and as of such Delivery Date, and the Company has complied with all its agreements contained herein and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to such Delivery Date;

(ii) That no stop order suspending the effectiveness of the Registration Statement has been issued; and no proceedings or examination for that purpose have been instituted or, to the knowledge of such officers, threatened; and

(iii) That they have examined the Registration Statement, the Prospectus and the Pricing Disclosure Package, and, in their opinion, (A) (1) the Registration Statement, as of the Effective Date, did not contain any untrue statement of a material fact and did not omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading (2) the Prospectus, as of its date and on the applicable Delivery Date did not and does not contain any untrue statement of a material fact and did not and does not 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 (3) the Pricing Disclosure Package, as of the Applicable Time, did not contain any untrue statement of a material fact and did not 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 (B) since the Effective Date, no event has occurred that should have been set forth in a supplement or amendment to the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus that has not been so set forth.

(k) The Selling Stockholder shall have furnished to the Representatives on such Delivery Date a certificate, dated such Delivery Date, signed by an officer of the Selling Stockholder stating that it has carefully examined the Selling Stockholder Information contained in the Registration Statement, the Pricing Disclosure Package, the Prospectus, any Issuer Free Writing Prospectus and any amendment or supplement thereto and this Agreement and that (i) the representations and warranties of the Selling Stockholder in this Agreement are true and correct on and as of such Delivery Date to the same effect as if made on such Delivery Date and (ii) the Selling Stockholder has complied with all its agreements contained herein and has satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to such Delivery Date.

(l) Except as described in the most recent Preliminary Prospectus, (i) neither the Company nor any of its subsidiaries shall have sustained, since the date of the latest audited financial statements included in the most recent Preliminary Prospectus, any loss or interference

with its business from fire, explosion, flood or other calamity, or from any labor dispute or court or governmental action, order or decree and (ii) since such date there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), results of operations, stockholders' equity, properties, management or business of the Company and its subsidiaries taken as a whole, the effect of which, in any such case described in clause (i) or (ii), is, individually or in the aggregate, in the judgment of the Representatives, so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(m) Subsequent to the execution and delivery of this Agreement (i) no downgrading shall have occurred in the rating accorded the Company's debt securities or preferred stock by any "nationally recognized statistical rating organization" (as defined by the Commission in Section 3(a)(62) of the Exchange Act) and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities or preferred stock.

(n) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) (A) trading in securities generally on any securities exchange that has registered with the Commission under Section 6 of the Exchange Act (including the New York Stock Exchange, The NASDAQ Global Select Market, The NASDAQ Global Market or The NASDAQ Capital Market), or (B) trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or materially limited or the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction; (ii) a general moratorium on commercial banking activities shall have been declared by federal or state authorities; (iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States; or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions, including, without limitation, as a result of terrorist activities after the date hereof (or the effect of international conditions on the financial markets in the United States shall be such), as to make it, in the judgment of the Representatives, impracticable or inadvisable to proceed with the public offering or delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(o) The New York Stock Exchange shall have approved the Stock for listing, subject only to official notice of issuance and evidence of satisfactory distribution.

(p) The Lock-Up Agreements between the Representatives and the officers, directors and stockholders of the Company set forth on Schedule III hereto, delivered to the Representatives on or before the date of this Agreement, shall be in full force and effect on such Delivery Date.

(q) On or prior to each Delivery Date, the Company shall have furnished to the Underwriters such further certificates and documents as the Representatives may reasonably request.

(r) As of the Initial Delivery Date, all transactions described in the Preliminary Prospectus under the heading "Corporate Reorganization" shall have been completed in the manner described therein, and the Reorganization will be effective and valid in accordance with the laws of Delaware.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

10. *Indemnification and Contribution.*

(a) *Indemnification of Underwriters by Company.* The Company hereby agrees to indemnify and hold harmless each Underwriter, its affiliates, directors, officers, employees and selling agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Stock), to which that Underwriter, affiliate, director, officer, employee, selling agent or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in (A) any Preliminary Prospectus, the Registration Statement, the Prospectus or any amendment or supplement thereto, (B) any Issuer Free Writing Prospectus or any amendment or supplement thereto, (C) any "issuer information" (as defined in Rule 433(h) under the Securities Act) in any "free writing prospectus" (as defined in Rule 405 under the Securities Act) used or referred to by any Underwriter with respect to whose use the Company has given its consent (any such issuer information, "**Permitted Issuer Information**"), (D) any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing or the offering of the Stock, including any "road show" (as defined in Rule 433(h) under the Securities Act) not constituting an Issuer Free Writing Prospectus and any Written Testing-the-Waters Communication ("**Marketing Materials**"), or (E) any Blue Sky application or other document prepared or executed by the Company (or

based upon any written information furnished by the Company for use therein) specifically for the purpose of qualifying any or all of the Stock under the securities laws of any state or other jurisdiction (any such application, document or information being hereinafter called a “*Blue Sky Application*”) or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Permitted Issuer Information, any Marketing Materials or any Blue Sky Application, any material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse each Underwriter and each such affiliate, director, officer, employee, selling agent or controlling person promptly upon demand for any legal or other expenses reasonably incurred by that Underwriter, affiliate, director, officer, employee, selling agent or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are

incurred; *provided, however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any such amendment or supplement thereto or in any Permitted Issuer Information, any Marketing Materials or any Blue Sky Application, in reliance upon and in conformity with written information concerning such Underwriter furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information consists solely of the information specified in Section 10(f). The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to any Underwriter or to any affiliate, director, officer, employee, selling agent or controlling person of that Underwriter.

(b) *Indemnification of Underwriters by Selling Stockholder.* The Selling Stockholder shall indemnify and hold harmless each Underwriter, its affiliates, directors, officers, employees and selling agents and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Stock), to which that Underwriter, affiliate, director, officer, employee, selling agent or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or any amendment or supplement thereto or any Permitted Issuer Information, any Marketing Materials, any Blue Sky Application or any “free writing prospectus” (as defined in Rule 405 under the Securities Act) (any such “free writing prospectus” that was prepared by or on behalf of the Selling Stockholder or used or referred to by the Selling Stockholder in connection with the offering of the Stock in violation of Section 7(a) being referred to as a “*Selling Stockholder Free Writing Prospectus*”); or (ii) the omission or alleged omission to state in any Preliminary Prospectus, Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Permitted Issuer Information, any Marketing Materials, any Blue Sky Application or any Selling Stockholder Free Writing Prospectus, any material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse each Underwriter, its affiliates, directors, officers, employees and selling agents and each such controlling person promptly upon demand for any legal or other expenses reasonably incurred by that Underwriter, its affiliates, directors, officers, employees and selling agents or controlling persons in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. The aggregate liability of the Selling Stockholder under Section 10(b) and Section 10(e) or any claim for breach of representations and warranties of the Selling Stockholder contained in Section 2 shall be limited to an amount equal to the aggregate net proceeds, after underwriting discounts but before deducting expenses received by the Selling Stockholder, from the offering of the shares of the Stock purchased under the Agreement received by the Selling Stockholder. The Selling Stockholder will not be liable in any such case except to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any Preliminary Prospectus, Registration Statement, the Prospectus, any Issuer Free

Writing Prospectus or in any amendment or supplement thereto or in any Permitted Issuer Information, any Marketing Materials, any Blue Sky Application or any Selling Stockholder Free Writing Prospectus in reliance upon and in conformity with the Selling Stockholder Information.

(c) Each Underwriter, severally and not jointly, shall indemnify and hold harmless the Company, the Selling Stockholder, their respective directors, officers and employees, and each person, if any, who controls the Company or such Selling Stockholder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company, such Selling Stockholder or any such director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials or Blue Sky Application; or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials or Blue Sky Application, any material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning such Underwriter furnished to the Company through the Representatives by or on behalf of that Underwriter specifically for inclusion therein, which information is limited to the information set forth in Section 10(f). The foregoing indemnity agreement is in addition to any liability that any Underwriter may otherwise have to the Company, such Selling Stockholder or any such director, officer, employee or controlling person.

(d) Promptly after receipt by an indemnified party under this Section 10 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 10, notify the indemnifying party in writing of the claim or the commencement of that action; *provided, however*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 10 except to the extent it has been materially prejudiced (through the forfeiture of substantive rights and defenses) by such failure and, *provided, further*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 10. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 10 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; *provided, however*, that the indemnified party shall have the right to employ counsel to represent jointly the indemnified party and those other indemnified parties and their respective directors, officers, employees and controlling persons who may be subject to liability arising out of any claim in respect of which

indemnity may be sought under this Section 10 if (i) the indemnified party and the indemnifying party shall have so mutually agreed; (ii) the indemnifying party has failed within a reasonable time to retain counsel reasonably satisfactory to the indemnified party; (iii) the indemnified party and its directors, officers, employees and controlling persons shall have reasonably concluded that there may be legal defenses available to them that are different from or in addition to those available to the indemnifying party; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the indemnified parties or their respective directors, officers, employees or controlling persons, on the one hand, and the indemnifying party, on the other hand, and representation of both sets of parties by the same counsel would be inappropriate due to actual or potential differing interests between them, and in any such event the fees and expenses of such separate counsel shall be paid by the indemnifying party. No indemnifying party shall (x) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and does not include a statement as to, or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party, or (y) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by Section 10(a) or (b) hereof, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 60 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request or disputed in good faith the indemnified party's entitlement to such reimbursement prior to the date of such settlement.

(e) If the indemnification provided for in this Section 10 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 10(a), 10(b), 10(c) or 10(g) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company and the Selling Stockholder, on the one hand, and the Underwriters, on the other, from the offering of the Stock or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Stockholder, on the one hand, and the Underwriters, on the other, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholder, on the one hand, and the Underwriters, on the other, with respect to such offering shall be deemed to

be in the same proportion as the total net proceeds from the offering of the Stock purchased under this Agreement (before deducting expenses) received by the Company and the Selling Stockholder, as set forth in the table on the cover page of the Prospectus, on the one hand, and the total underwriting discounts and commissions received by the Underwriters with respect to the shares of the Stock purchased under this Agreement, as set forth in the table on the cover page of the Prospectus, on the other hand. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Stockholder or the Underwriters, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Selling Stockholder and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 10(e) were to be determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 10(e) shall be deemed to include, for purposes of this Section 10(e), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 10(e), in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Stock exceeds the amount of any damages that such Underwriter has

otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. In no event shall the aggregate liability of the Selling Stockholder under Section 10(b) and 10(e) and for any claim for breach of representations and warranties of the Selling Stockholder contained in Section 2 exceed the limit set forth in Section 10(e). 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 Underwriters' obligations to contribute as provided in this Section 10(e) are several in proportion to their respective underwriting obligations and not joint.

(f) The Underwriters severally confirm that the statements regarding delivery of shares by the Underwriters set forth on the cover page of, and the concession and reallowance figures and the paragraph relating to stabilization by the Underwriters appearing under the caption "Underwriting" in, the most recent Preliminary Prospectus and the Prospectus are correct and constitute the only information concerning such Underwriters furnished in writing to the Company by or on behalf of the Underwriters specifically for inclusion in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials.

(g) The Company shall indemnify and hold harmless Barclays Capital Inc. (including its affiliates, directors, officers and employees) and each person, if any, who controls Barclays Capital Inc. within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act ("**Barclays Entities**"), from and against any loss, claim, damage or liability or any action in respect thereof to which any of the Barclays Entities may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action (i) arises out of, or is based upon, any untrue statement or alleged untrue statement of a material fact contained in any

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material prepared by or with the approval of the Company for distribution to Directed Share Participants in connection with the Directed Share Program or 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; (ii) arises out of, or is based upon, the failure of the Directed Share Participant to pay for and accept delivery of Directed Shares that the Directed Share Participant agreed to purchase; or (iii) is otherwise related to the Directed Share Program; *provided* that the Company shall not be liable under this clause (iii) for any loss, claim, damage, liability or action that is determined in a final judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Barclays Entities. The Company shall reimburse the Barclays Entities promptly upon demand for any legal or other expenses reasonably incurred by them in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred.

(h) Without limitation of and in addition to its obligations under the other paragraphs of this Section 10, the Company agrees to indemnify and hold harmless Jefferies LLC (in the capacity described in this paragraph, the "**Independent Underwriter**"), its affiliates, directors, officers and employees and each person who controls Independent Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Stock) to which the Independent Underwriter, affiliate, director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, the Independent Underwriter's acting as a "qualified independent underwriter" (within the meaning of FINRA Rule 5121) in connection with the offering contemplated by this Agreement, and agrees to reimburse each such indemnified party promptly upon demand for any legal or other expenses reasonably incurred by them in connection with investigating or defending or preparing to defend any such loss, claim, damage, liability or action; *provided, however*, that the Company shall not be liable in any such case to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, liability or action resulted directly from the gross negligence or willful misconduct of the Independent Underwriter. The relative benefits received by the Independent Underwriter with respect to the offering contemplated by this Agreement shall, for purposes of Section 10(e), be deemed to be equal to the compensation received by the Independent Underwriter for acting in such capacity. In addition, notwithstanding the provisions of Section 10(e), the Independent Underwriter shall not be required to contribute any amount in excess of the compensation received by the Independent Underwriter for acting in such capacity.

11. *Defaulting Underwriters.*

(a) If, on any Delivery Date, any Underwriter defaults in its obligations to purchase the Stock that it has agreed to purchase under this Agreement, the remaining non-defaulting Underwriters may in their discretion arrange for the purchase of such Stock by the non-defaulting Underwriters or other persons satisfactory to the Company on the terms contained in this Agreement. If, within 36 hours after any such default by any Underwriter, the non-defaulting Underwriters do not arrange for the purchase of such Stock, then the Company shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to

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the non-defaulting Underwriters to purchase such Stock on such terms. In the event that within the respective prescribed periods, the non-defaulting Underwriters notify the Company that they have so arranged for the purchase of such Stock, or the Company notifies the non-defaulting Underwriters that it has so arranged for the purchase of such Stock, either the non-defaulting Underwriters or the Company may postpone such Delivery Date for up to seven full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Underwriters may be necessary in the Registration Statement, the Prospectus or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Registration Statement, the Prospectus or in any such other document or arrangement that effects any such changes. As used in this Agreement, the term "Underwriter" includes, for all purposes of this Agreement unless the context requires otherwise, any party not listed in Schedule I hereto

that, pursuant to this Section 11, purchases Stock that a defaulting Underwriter agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Stock of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the total number of shares of the Stock that remains unpurchased does not exceed one-eleventh of the total number of shares of all the Stock, then the Company shall have the right to require each non-defaulting Underwriter to purchase the total number of shares of Stock that such Underwriter agreed to purchase hereunder plus such Underwriter's *pro rata* share (based on the total number of shares of Stock that such Underwriter agreed to purchase hereunder) of the Stock of such defaulting Underwriter or Underwriters for which such arrangements have not been made; *provided* that the non-defaulting Underwriters shall not be obligated to purchase more than 110% of the total number of shares of Stock that it agreed to purchase on such Delivery Date pursuant to the terms of Section 3.

(c) If, after giving effect to any arrangements for the purchase of the Stock of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the total number of shares of Stock that remains unpurchased exceeds one-eleventh of the total number of shares of all the Stock, or if the Company shall not exercise the right described in paragraph (b) above, then this Agreement shall terminate without liability on the part of the non-defaulting Underwriters. Any termination of this Agreement pursuant to this Section 11 shall be without liability on the part of the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Section 8 and Section 13 and except that the provisions of Section 10 shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company or any non-defaulting Underwriter for damages caused by its default.

12. *Termination.* The obligations of the Underwriters hereunder may be terminated by the Representatives by notice given to and received by the Company and the Selling Stockholder prior to delivery of and payment for the Firm Stock if, prior to that time, any of the events described in Sections 9(m), 9(n) and 9(o) shall have occurred or if the Underwriters shall decline to purchase the Stock for any reason permitted under this Agreement.

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13. *Reimbursement of Underwriters' Expenses.* If (a) the Company or the Selling Stockholder shall fail to tender the Stock for delivery to the Underwriters for any reason or (b) the Underwriters shall decline to purchase the Stock for any reason permitted under this Agreement, the Company will reimburse the Underwriters for all reasonable out-of-pocket expenses (including fees and disbursements of counsel for the Underwriters) incurred by the Underwriters in connection with this Agreement and the proposed purchase of the Stock, and upon demand the Company shall pay the full amount thereof to the Representatives. Notwithstanding the foregoing, if this Agreement is terminated pursuant to Section 11 by reason of the default of one or more Underwriters or the purchase of the Stock is not consummated as a result of the occurrence of any of the events described in Section 9(n) (other than the occurrence of an event described in Section 9(n)(i)(B)), the Company shall not be obligated to reimburse any defaulting Underwriter on account of those expenses.

14. *Research Analyst Independence.* The Company acknowledges that the Underwriters' research analysts and research departments are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Underwriters' research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Company and/or the offering that differ from the views of their respective investment banking divisions. The Company and the Selling Stockholder hereby waive and release, to the fullest extent permitted by law, any claims that the Company or the Selling Stockholder may have against the Underwriters with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company or the Selling Stockholder by such Underwriters' investment banking divisions. The Company and the Selling Stockholder acknowledge that each of the Underwriters is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies that may be the subject of the transactions contemplated by this Agreement.

15. *No Fiduciary Duty.* The Company and the Selling Stockholder acknowledge and agree that in connection with this offering, sale of the Stock or any other services the Underwriters may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by the Underwriters: (a) no fiduciary or agency relationship between the Company, Selling Stockholder and any other person, on the one hand, and the Underwriters, on the other, exists; (b) the Underwriters are not acting as advisors, expert or otherwise, to either the Company or the Selling Stockholder, including, without limitation, with respect to the determination of the public offering price of the Stock, and such relationship between the Company and the Selling Stockholder, on the one hand, and the Underwriters, on the other, is entirely and solely commercial, based on arms-length negotiations; (c) any duties and obligations that the Underwriters may have to the Company or Selling Stockholder shall be limited to those duties and obligations specifically stated herein; and (d) the Underwriters and their respective affiliates may have interests that differ from those of the Company and the Selling Stockholder. The Company and the Selling Stockholder hereby waive any claims that

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the Company or the Selling Stockholder may have against the Underwriters with respect to any breach of fiduciary duty in connection with this offering.

16. *Notices, etc.* All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Underwriters, shall be delivered or sent by mail or facsimile transmission to Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax: (646) 834-8133), with a copy, in the case of any notice pursuant to Section 10(d), to the Director of Litigation, Office of the General Counsel, Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019; Citigroup Global Markets Inc. General Counsel (Fax: (212) 816-7912) and confirmed to the General Counsel, Citigroup Global Markets Inc., at 388 Greenwich Street, New York, New York, 10013, Attention: General Counsel; and J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179, Attention: Syndicate Desk (Fax: (212) 622-8358);

(b) if to the Company, shall be delivered or sent by mail or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Glen C. Warren, Jr. (Fax: (303) 357-7315); and

(c) if to the Selling Stockholder, shall be delivered or sent by mail or facsimile transmission to the Selling Stockholder at the address set forth on Schedule II hereto.

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company and the Selling Stockholder shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Underwriters by Barclays Capital Inc. on behalf of the Representatives.

17. *Persons Entitled to Benefit of Agreement.* This Agreement shall inure to the benefit of and be binding upon the Underwriters, the Company, the Selling Stockholder and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (a) the representations, warranties, indemnities and agreements of the Company and the Selling Stockholder contained in this Agreement shall also be deemed to be for the benefit of the directors, officers, employees and selling agents of the Underwriters and each person or persons, if any, who control any Underwriter within the meaning of Section 15 of the Securities Act, and (b) the indemnity agreement of the Underwriters contained in Section 10(c) of this Agreement shall be deemed to be for the benefit of the directors, officers and employees of the Company and any person controlling the Company within the meaning of Section 15 of the Securities Act. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 17, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

18. *Survival.* The respective indemnities, representations, warranties and agreements of the Company, the Selling Stockholder and the Underwriters contained in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall survive the

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delivery of and payment for the Stock and shall remain in full force and effect, regardless of any investigation made by or on behalf of any of them or any person controlling any of them.

19. *Definition of the Terms "Business Day", "Affiliate" and "Subsidiary".* For purposes of this Agreement, (a) "**business day**" means each Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close, and (b) "**affiliate**" and "**subsidiary**" have the meanings set forth in Rule 405 under the Securities Act.

20. *Governing Law.* **This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of laws principles (other than Section 5-1401 of the General Obligations Law).**

21. *Waiver of Jury Trial.* The Company and the Underwriters hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

22. *Counterparts.* This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

23. *Headings.* The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

(Signature Pages Follow)

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If the foregoing correctly sets forth the agreement between the Company, the Selling Stockholder and the Underwriters, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

ANTERO RESOURCES CORPORATION

By: _____
Name:
Title:

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ANTERO RESOURCES INVESTMENT LLC

By: _____
Name:
Title:

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Accepted:

BARCLAYS CAPITAL INC.
CITIGROUP GLOBAL MARKETS INC.
J.P. MORGAN SECURITIES LLC

For themselves and as Representatives
of the several Underwriters named
in Schedule I hereto

By BARCLAYS CAPITAL INC.

By: _____
Authorized Representative

By CITIGROUP GLOBAL MARKETS INC.

By: _____
Authorized Representative

By J.P. MORGAN SECURITIES LLC

By: _____
Authorized Representative

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SCHEDULE I

Underwriters	Number of Shares of Firm Stock
Barclays Capital Inc.	
Citigroup Global Markets Inc.	
J.P. Morgan Securities LLC	
Credit Suisse Securities (USA) LLC	
Jefferies LLC	
Wells Fargo Securities LLC	
BB&T Capital Markets, a division of BB&T Securities, LLC	
BMO Capital Markets Corp.	
Capital One Securities, Inc.	
Comerica Securities, Inc.	
Credit Agricole Securities (USA) Inc.	
KeyBanc Capital Markets Inc.	
Mitsubishi UFJ Securities (USA), Inc.	

Morgan Stanley & Co. LLC
Raymond James & Associates, Inc.
Robert W. Baird & Co. Incorporated
Scotia Capital (USA) Inc.
TD Securities (USA) LLC
Tudor, Pickering, Holt & Co. Securities, Inc.
[•]
Total

SCHEDULE II

<u>Name and Address of Selling Stockholder</u>	<u>Number of Shares of Firm Stock</u>	<u>Number of Shares of Option Stock</u>
Antero Resources Investment LLC 1625 17 th Street Denver, Colorado 80202	—	[•]
Total	—	[•]

SCHEDULE III

PERSONS DELIVERING LOCK-UP AGREEMENTS

Directors

Peter R. Kagan
W. Howard Keenan, Jr.
Christopher R. Manning
James R. Levy
Richard C. Connor
Robert J. Clark
Benjamin J. Hardesty

Officers

Paul M. Rady
Glen C. Warren, Jr.
Kevin J. Kilstrom
Alvyn A. Schopp
Ward D. McNeilly

Selling Stockholder

Antero Resources Investment LLC

SCHEDULE IV

ORALLY CONVEYED PRICING INFORMATION

1. *[Public offering price]*
 2. *[Number of shares offered]*
-

SCHEDULE V

ISSUER FREE WRITING PROSPECTUSES — ROAD SHOW MATERIALS

[Insert list of certain "road show" materials]

SCHEDULE VI

ISSUER FREE WRITING PROSPECTUS

[Insert list of all "Issuer Free Writing Prospectuses"]

SCHEDULE VII

WRITTEN TESTING-THE-WATERS COMMUNICATIONS

[Insert list of all Written Testing-the-Waters Communications]

SCHEDULE VIII

SUBSIDIARIES

Subsidiaries of Antero Resources LLC (before the Reorganization):

<u>Entity Name</u>	<u>Jurisdiction of Incorporation or Formation</u>
Antero Resources Corporation	Delaware
Antero Resources Finance Corporation	Delaware
Antero Resources Bluestone LLC	Delaware

Subsidiaries of Antero Resources Corporation (after the Reorganization):

<u>Entity Name</u>	<u>Jurisdiction of Incorporation or Formation</u>
Antero Resources Finance Corporation	Delaware
Antero Resources Bluestone LLC	Delaware
Antero Resources Midstream LLC	Delaware

EXHIBIT A

LOCK-UP LETTER AGREEMENT

BARCLAYS CAPITAL INC.
CITIGROUP GLOBAL MARKETS INC.
J.P. MORGAN SECURITIES LLC
As Representatives of the several
Underwriters named in Schedule I,
c/o Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

The undersigned understands that you and certain other firms (the "**Underwriters**") propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") providing for the purchase by the Underwriters of shares (the "**Stock**") of Common Stock, par value \$0.01 per share (the "**Common Stock**"), of Antero Resources Corporation, a Delaware corporation (the "**Company**"), and that the Underwriters propose to reoffer the Stock to the public (the "**Offering**").

In consideration of the execution of the Underwriting Agreement by the Underwriters, and for other good and valuable consideration, the undersigned hereby irrevocably agrees that, without the prior written consent of Barclays Capital Inc., on behalf of the Underwriters, the undersigned will not, directly or indirectly, (1) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock (including, without limitation, shares of Common Stock that may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and shares of Common Stock that

may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for Common Stock, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of shares of Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise, (3) make any demand for or exercise any right or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock or any other securities of the Company, or (4) publicly disclose the intention to do any of the foregoing for a period commencing on the date hereof and ending on and including the 180th day after the date of the Prospectus relating to the Offering (such 180-day period, the “**Lock-Up Period**”).

The foregoing paragraph shall not apply to (a) bona fide gifts, sales or other dispositions of shares of any class of the Company’s capital stock, in each case that

Exhibit A-1

are made exclusively between and among the undersigned or members of the undersigned’s family, or affiliates of the undersigned, including its partners (if a partnership) or members (if a limited liability company); *provided* that it shall be a condition to any transfer pursuant to this clause (a) that (i) the transferee/donee agrees to be bound by the terms of this Lock-Up Letter Agreement (including, without limitation, the restrictions set forth in the preceding sentence) to the same extent as if the transferee/donee were a party hereto; and (ii) each party (donor, donee, transferor or transferee) shall not be required by law (including without limitation the disclosure requirements of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) to make, and shall agree to not voluntarily make, any filing or public announcement of the transfer or disposition prior to the expiration of the 180-day period referred to above, (b) the exercise of warrants or the exercise of stock options granted pursuant to the Company’s stock option/incentive plans or otherwise outstanding on the date hereof; *provided*, that the restrictions shall apply to shares of Common Stock issued upon such exercise or conversion and (c) the establishment of any contract, instruction or plan that satisfies all of the requirements of Rule 10b5-1 (a “**Rule 10b5-1 Plan**”) under the Exchange Act; *provided, however*, that no sales of Common Stock or securities convertible into, or exchangeable or exercisable for, Common Stock, shall be made pursuant to a Rule 10b5-1 Plan prior to the expiration of the Lock-Up Period (as the same may be extended pursuant to the provisions hereof); *provided further*, that the Company is not required to report the establishment of such Rule 10b5-1 Plan in any public report or filing with the Commission under the Exchange Act during the lock-up period and does not otherwise voluntarily effect any such public filing or report regarding such Rule 10b5-1 Plan.

If the undersigned is an officer or director of the Company, (i) the undersigned agrees that the foregoing provisions shall be equally applicable to any issuer-directed Stock, as referred to in FINRA Rule 5131(d)(2)(A) that the undersigned may purchase in the Offering pursuant to an allocation of Stock that is directed in writing by the Company; (ii) Barclays Capital Inc. agrees that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, Barclays Capital Inc. will notify the Company of the impending release or waiver; and (iii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by issuing a press release through a major news service (as referred to in FINRA Rule 5131(d)(2)(B)) at least two business days before the effective date of the release or waiver. Any release or waiver granted by Barclays Capital Inc. hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if both (a) the release or waiver is effected solely to permit a transfer not for consideration, and (b) the transferee has agreed in writing to be bound by the same terms described in this letter that are applicable to the transferor, to the extent and for the duration that such terms remain in effect at the time of the transfer.

Exhibit A-2

In furtherance of the foregoing, the Company and its transfer agent are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Lock-Up Letter Agreement.

It is understood that, if the Company notifies the Underwriters that it does not intend to proceed with the Offering, if the Underwriters notify the Company that they do not intend to proceed with the Offering, if the Underwriting Agreement does not become effective, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Stock, the undersigned will be released from its obligations under this Lock-Up Letter Agreement.

The undersigned understands that the Company and the Underwriters will proceed with the Offering in reliance on this Lock-Up Letter Agreement.

Whether or not the Offering actually occurs depends on a number of factors, including market conditions. Any Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company, the Selling Stockholder named therein and the Underwriters.

This Lock-Up Letter Agreement shall automatically terminate upon the earliest to occur, if any, of (1) the termination of the Underwriting Agreement before the sale of any Stock to the Underwriters or (2) [*insert sunset date*], in the event that the Underwriting Agreement has not been executed by that date.

[Signature page follows]

Exhibit A-3

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Letter Agreement and that, upon request, the undersigned will execute any additional documents necessary in connection with the enforcement hereof. Any obligations of the undersigned shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

Very truly yours,

By: _____

Name:

Title:

Dated: _____

Exhibit A-4

EXHIBIT B

Form of Press Release

Antero Resources Corporation

[Insert date]

Antero Resources Corporation, (the “Company”) announced today that Barclays Capital Inc., the lead book-running manager in the Company’s recent public sale of [·] shares of common stock is [waiving] [releasing] a lock-up restriction with respect to [·] shares of the Company’s common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on [insert date], and the shares may be sold or otherwise disposed of on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

Exhibit B-1

EXHIBIT C-1

FORM OF OPINION OF COMPANY’S COUNSEL

Vinson & Elkins L.L.P. shall have furnished to the Underwriters its written opinion, as counsel to the Company, addressed to the Underwriters and dated the Delivery Date, in form and substance reasonably satisfactory to the Representatives, to the effect that:

(a) The Company is validly existing and in good standing under the laws of the State of Delaware, with corporate power and authority to conduct its business as described in the Pricing Disclosure Package; and the Company is duly qualified to do business as a foreign corporation in good standing in all jurisdictions listed on Annex A to such opinion;

(b) Each subsidiary of the Company listed on Exhibit 21.1 to the Registration Statement is validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, as the case may be, with corporate or limited liability company, as appropriate, power and authority to conduct its business as described in the Pricing Disclosure Package; and each subsidiary of the Company is duly qualified to do business as a foreign corporation or limited liability company, as the case may be, in good standing in all jurisdictions set forth opposite such subsidiary’s name on Annex B to such opinion; except as described in the Pricing Disclosure Package and the Prospectus, all of the issued and outstanding capital stock and other equity interests of each such subsidiary is owned, directly or indirectly, by the Company; and to such counsel’s knowledge, the capital stock or other equity interests of each subsidiary of the Company, directly or through subsidiaries, is owned free from liens, encumbrances and defects in respect of which a financing statement has been filed with the Secretary of State of the State of Delaware, other than pledges of such capital stock or other equity interests in connection with the Company’s commercial debt facility as described in the Pricing Disclosure Package and the Prospectus;

(c) The Stock delivered by the Company on such Delivery Date have been duly authorized and validly issued, are fully paid and nonassessable, and conform to the description of such Stock contained in the Prospectus; the authorized equity capitalization of the Company is as set forth in the Pricing Disclosure Package; the stockholders of the Company have no preemptive rights with respect to the Stock under federal law, the Delaware General Corporation Law or any other instrument to which the Company is a party; and, except as set forth in the Pricing Disclosure Package and the Prospectus, no options, warrants or other rights to purchase, agreements or other obligations to issue, or rights to convert any obligations into or exchange any securities for, shares of capital stock of or ownership interests in the Company are outstanding;

(d) The Company is not and, after giving effect to the offering and sale of the Stock by the Company and the application of the proceeds therefrom as described in the Pricing Disclosure Package, will not be required to register as an “investment

company” within the meaning of the Investment Company Act;

(e) No consent, approval, authorization or order of, or filing with, any person (including any governmental agency or body or any court) is required to be obtained or made by

Exhibit C-1-1

the Company for the consummation of the Reorganization or the transactions contemplated by this Agreement in connection with the offering, issuance and sale of the Stock by the Company, except such as have been disclosed in the Pricing Disclosure Package, such as have been obtained or made, or such as may be required under federal or state securities laws or by the FINRA rules, in each case where the failure to obtain such consent, approval, authorization or order of, or filing with, would not reasonably be expected to materially impair the ability of the Company and its subsidiaries to consummate the Reorganization or the transactions contemplated by this Agreement in connection with the offering, issuance and sale of the Stock by the Company;

(f) Neither the Reorganization nor the execution, delivery and performance of this Agreement or the consummation of the transactions herein contemplated by the Company, or described in the Pricing Disclosure Package and Prospectus, will result in a breach or violation of any of the terms and provisions of, or constitute a default under, or result in the imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to (i) the charter or bylaws (or similar organizational documents) of the Company or of its subsidiaries, (ii) any statute, rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Company or any of its subsidiaries or any of their properties, or (iii) any agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the properties of the Company or any such subsidiary is subject filed as an exhibit to a Registration Statement, except for any breach, violation or default described in clauses (ii) and (iii) which would not, individually or in the aggregate, have a Material Adverse Effect; with respect to clause (ii) above, such counsel expresses no opinion as to the application of any state securities or Blue Sky laws or federal or state antifraud laws, rules or regulations;

(g) The Registration Statement was declared effective under the Act as of the date and time specified in such opinion, [the Rule 462(b) Registration Statement (if any) was filed and became effective under the Securities Act as of the date and time (if determinable) specified in such opinion,](1) the Prospectus was filed with the Commission pursuant to the subparagraph of Rule 424(b) specified in such opinion (or, if stated in such opinion, pursuant to Rule 462(c)) on the date specified therein, and, to the knowledge of such counsel, no stop order suspending the effectiveness of a Registration Statement or any part thereof has been issued and no proceedings for that purpose have been instituted or threatened under the Act;

(h) This Agreement have been duly authorized, executed and delivered by the Company;

(i) The Merger Agreement has been duly authorized, executed and delivered by the Company, is the legally valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, subject to the Enforceability Exceptions;

(1) To be excluded from opinion if not applicable.

Exhibit C-1-2

(j) The Registration Statement and Prospectus, and each amendment or supplement thereto, as of their respective effective times or issue dates, appeared on their face to comply as to form in all material respects with the requirements of the Securities Act and the rules and regulations of the Commission;(2)

(k) The statements included in (A) the Pricing Disclosure Package and the Prospectus under the captions “Business—Regulation of the Oil and Natural Gas Industry”; “Business—Regulation of Environmental and Occupational Safety and Health Matters”; “Business—Legal Proceedings”; “Description of Capital Stock”; “Shares Eligible for Future Sale”; and “Material U.S. Federal Income and Estate Tax Considerations for Non-U.S. Holders” and (B) the Registration Statement in Items 14 and 15, in each case, insofar as they constitute descriptions of agreements or refer to statements of law or legal conclusions, are accurate in all material respects; and

(l) The Reorganization has occurred and is legal, effective and valid and in accordance with the Delaware General Corporation Law and the Delaware Limited Liability Company Act.

(2) V&E to include typical 10b-5 language.

Exhibit C-1-3

FORM OF OPINION OF SELLING STOCKHOLDER'S COUNSEL

(a) Upon (i) payment for the ARI Option Stock to be sold by the Selling Stockholder pursuant to this Agreement, (ii) delivery of such ARI Option Stock, as directed by the Underwriters, to Cede or such other nominee as may be designated by DTC, (iii) registration of such ARI Option Stock in the name of DTC, Cede or such other nominee and (iv) appropriate crediting of such Stock on the books of DTC to securities accounts of the Underwriters (assuming that neither DTC nor any such Underwriter has notice of any adverse claim within the meaning of Section 8-105 of the UCC to such ARI Option Stock), (1) DTC shall be a "protected purchaser" of such ARI Option Stock within the meaning of Section 8-303 of the UCC, (2) under Section 8-501 of the UCC, the Underwriters will acquire a valid security entitlement in respect of such ARI Option Stock and (3) no action based on any "adverse claim" (within the meaning of Section 8-102 of the UCC) to such ARI Option Stock may be asserted against the Underwriters with respect to such security entitlement. In giving this opinion, counsel for the Selling Stockholder may assume that when such payment, delivery and crediting occur, (x) such ARI Option Stock will have been registered in the name of Cede or another nominee designated by DTC, in each case on the Company's share registry in accordance with its certificate of incorporation, bylaws and applicable law, (y) DTC will be registered as a "clearing corporation" within the meaning of Section 8-102 of the UCC and (z) appropriate entries to the accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC;

(b) No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required to be obtained or made by any Selling Stockholder for the consummation of the transactions contemplated by this Agreement in connection with the offering and sale of the ARI Option Stock sold by the Selling Stockholder, except such as have been disclosed in the Pricing Disclosure Package, such as have been obtained and made, or such as may be required under federal or state securities laws or by the FINRA rules, in each case where the failure to obtain such consent, approval, authorization or order of, or filing with, would not reasonably be expected to materially impair the ability of the Selling Stockholder to consummate the sale of the ARI Option Stock to be sold by the Selling Stockholder pursuant to this Agreement;

(c) Neither the execution, delivery and performance of this Agreement nor the consummation of the transactions herein and therein contemplated will result in a breach or violation of any of the terms and provisions of, or constitute a default under, or result in the imposition of any lien, charge or encumbrance upon any property or assets of the Selling Stockholder pursuant to (i) to such counsel's knowledge, any statute, any rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Selling Stockholder or any of its properties, (ii) to such counsel's knowledge, any agreement or instrument to which the Selling Stockholder is a party or by which the Selling Stockholder is bound or to which any of the properties of the Selling Stockholder is subject, or (iii) the certificate of formation or limited liability company agreement of the Selling Stockholder, except, in the case of clauses (i) and (ii), for any breaches, violations, defaults, liens, charges or encumbrances, which, individually or in the aggregate, would not materially impair the ability of the Selling Stockholder to consummate the transaction contemplated by this Agreement in

Exhibit C-2-1

connection with the offering and sale of the ARI Option Stock to be sold by the Selling Stockholder; with respect to clause (ii) above, such counsel expresses no opinion as to the application of any state securities or Blue Sky laws or federal or state antifraud laws, rules or regulations; and

(d) This Agreement has been duly authorized, executed and delivered by the Selling Stockholder.

Exhibit C-2-2

FORM OF
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
ANTERO RESOURCES CORPORATION

Antero Resources Corporation, (the “Corporation”) a corporation organized and existing under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the “DGCL”), hereby certifies as follows:

1. The original Certificate of Incorporation of the Corporation was filed under the name Antero Resources Barnett Corporation with the filing of the original Certificate of Incorporation of the Corporation with the Secretary of State of the State of Delaware on March 18, 2008. The Certificate of Incorporation of the Corporation was amended and restated for the first time on April 9, 2008 and was amended and restated for the second time on December 30, 2009 (the “2009 Certificate of Incorporation”). An amendment to the 2009 Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on June 10, 2013, changing the name of the Corporation to Antero Resources Corporation.

2. This Amended and Restated Certificate of Incorporation (this “Amended and Restated Certificate of Incorporation”), which restates and amends the 2009 Certificate of Incorporation, has been declared advisable by the board of directors of the Corporation, duly adopted by the stockholders of the Corporation and duly executed and acknowledged by the officers of the Corporation in accordance with Sections 103, 228, 242 and 245 of the DGCL.

3. The 2009 Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

FIRST: The name of the corporation is Antero Resources 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 DGCL as it currently exists or may hereafter be amended.

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is [·] shares of stock, classified as (i) [·] shares of preferred stock, par value \$0.01 per share (“Preferred Stock”), and (ii) [·] shares of common stock, par value \$0.01 per share (“Common Stock”).

The designations and the powers, preferences, rights, qualifications, limitations and restrictions of the Preferred Stock and Common Stock are as follows:

1. Provisions Relating to Preferred Stock.

(a) The Preferred Stock may be issued from time to time in one or more classes or series, the shares of each series to have such designations and powers, preferences and rights, and qualifications, limitations and restrictions thereof, as are stated and expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the board of directors of the Corporation (the “Board of Directors”) as hereafter prescribed (a “Preferred Stock Designation”).

(b) Authority is hereby expressly granted to and vested in the Board of Directors to authorize the issuance of the Preferred Stock from time to time in one or more classes or series, and with respect to each series of the Preferred Stock, to fix and state by the resolution or resolutions from time to time adopted by the Board of Directors providing for the issuance thereof the designation and the powers, preferences, rights, qualifications, limitations and restrictions relating to each series of the Preferred Stock, including, but not limited to, the following:

(i) whether or not the series is to have voting rights, full, special or limited, or is to be without voting rights, and whether or not such series is to be entitled to vote as a separate class either alone or together with the holders of one or more other classes or series of stock;

(ii) the number of shares to constitute the series and the designations thereof;

(iii) the preferences, and relative, participating, optional or other special rights, if any, and the qualifications, limitations or restrictions thereof, if any, with respect to any series;

(iv) whether or not the shares of any series shall be redeemable at the option of the Corporation or the

holders thereof or upon the happening of any specified event, and, if redeemable, the redemption price or prices (which may be payable in the form of cash, notes, securities or other property), and the time or times at which, and the terms and conditions upon which, such shares shall be redeemable and the manner of redemption;

(v) whether or not the shares of a series shall be subject to the operation of retirement or sinking funds to be applied to the purchase or redemption of such shares for retirement, and, if such retirement or sinking fund or funds are to be established, the annual amount thereof, and the terms and provisions relative to the operation thereof;

(vi) the dividend rate, whether dividends are payable in cash, stock of the Corporation or other property, the conditions upon which and the times when such dividends are payable, the preference to or the relation to the payment of dividends payable on any other class or classes of stock, whether or not such dividends shall be cumulative or noncumulative, and if cumulative, the date or dates from which such dividends shall accumulate;

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(vii) the preferences, if any, and the amounts thereof which the holders of any series thereof shall be entitled to receive upon the voluntary or involuntary liquidation, dissolution or winding up of, or upon any distribution of the assets of, the Corporation;

(viii) whether or not the shares of any series, at the option of the Corporation or the holder thereof or upon the happening of any specified event, shall be convertible into or exchangeable for, the shares of any other class or classes or of any other series of the same or any other class or classes of stock, securities or other property of the Corporation and the conversion price or prices or ratio or ratios or the rate or rates at which such exchange may be made, with such adjustments, if any, as shall be stated and expressed or provided for in such resolution or resolutions; and

(ix) such other powers, preferences, rights, qualifications, limitations and restrictions with respect to any series as may to the Board of Directors seem advisable.

(c) The shares of each series of the Preferred Stock may vary from the shares of any other series thereof in any or all of the foregoing respects.

2. Provisions Relating to Common Stock.

(a) Each share of Common Stock of the Corporation shall have identical rights and privileges in every respect. Common Stock shall be subject to the express terms of the Preferred Stock and any series thereof. Except as may otherwise be provided in this Amended and Restated Certificate of Incorporation, in a Preferred Stock Designation 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, the holders of shares of Common Stock shall have the exclusive right to vote for the election of directors and for all other purposes, and the holders of Preferred Stock shall not be entitled to vote at or receive notice of any meeting of stockholders. Each holder of Common Stock shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Corporation (as in effect at the time in question) and applicable law on all matters put to a vote of the stockholders of the Corporation.

(b) Notwithstanding the foregoing, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL.

(c) Subject to the prior rights and preferences, if any, applicable to shares of the Preferred Stock or any series thereof, the holders of shares of Common Stock shall be entitled to receive ratably in proportion to the number of shares of Common Stock held by them such dividends and distributions (payable in cash, stock or otherwise), if any, 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.

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(d) In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, after distribution in full of the preferential amounts, if any, to be distributed to the holders of shares of the Preferred Stock or any series thereof, the holders of shares of 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 Common Stock held by them. A liquidation, dissolution or winding-up of the Corporation, as such terms are used in this paragraph (d), 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.

(e) The number of authorized shares of Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the outstanding shares of stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of either the Common Stock or the Preferred Stock voting separately as a

class shall be required therefor.

FIFTH: The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The directors, other than those who may be elected by the holders of any series of Preferred Stock specified in the related Preferred Stock Designation, shall be divided, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as is reasonably possible, with the initial term of office of the first class to expire at the 2014 annual meeting (the "Class I Directors"), the initial term of office of the second class to expire at the 2015 annual meeting (the "Class II Directors"), and the initial term of office of the third class to expire at the 2016 annual meeting (the "Class III Directors"), with each director to hold office until his or her successor shall have been duly elected and qualified. At each annual meeting of stockholders directors elected to succeed those directors whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election, with each director to hold office until his or her successor shall have been duly elected and qualified. The Board of Directors is authorized to assign members of the Board of Directors already in office to Class I, Class II or Class III at the time such classification becomes effective.

Subject to the rights of holders of any series of Preferred Stock, any newly created directorship that results from an increase in the number of directors or any vacancy on the Board of Directors that results from the death, disability, resignation, disqualification or removal of any director or from any other cause shall be filled solely by the affirmative vote of a majority of the total number of directors then in office, even if less than a quorum, or by a sole remaining director and shall not be filled by the stockholders. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall hold office for the remaining term of his or her predecessor. No decrease in the number of authorized directors constituting the Board of Directors shall shorten the term of any incumbent director.

Until the first date on which Antero Resources Investment LLC, Warburg Pincus LLC, Yorktown Partners LLC and Trilantic Capital Partners and their Affiliates (as such term is defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended)

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(together, the "Sponsor Group") no longer collectively own more than 50% of the outstanding shares of Common Stock of the Corporation (the "Trigger Date") and subject to the rights of the holders of shares of any series of Preferred Stock, if any, to elect additional directors pursuant to this Amended and Restated Certificate of Incorporation (including any Preferred Stock Designation thereunder), any director may be removed at any time, either for or without cause, upon the affirmative vote of the holders of a majority of the outstanding shares of stock of the Corporation entitled to vote generally for the election of directors, acting at a meeting of the stockholders or by written consent (if permitted) in accordance with the DGCL, this Amended and Restated Certificate of Incorporation and the bylaws of the Corporation. From and after the Trigger Date and subject to the rights of the holders of shares of any series of Preferred Stock, if any, to elect additional directors pursuant to this Amended and Restated Certificate of Incorporation (including any Preferred Stock Designation thereunder), any director may be removed only for cause, upon the affirmative vote of the holders of at least a majority of the outstanding shares of stock of the Corporation entitled to vote generally for the election of directors, acting at a meeting of the stockholders or by written consent (if permitted) in accordance with the DGCL, this Amended and Restated Certificate of Incorporation and the bylaws of the Corporation.

Subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, if any, the number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted by a majority of the Board of Directors. Unless and except to the extent that the bylaws of the Corporation so provide, the election of directors need not be by written ballot.

SIXTH: Prior to the Trigger Date, any action required or permitted to be taken at any annual meeting or special meeting of the stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote of stockholders, if a consent or consents in writing, setting forth the action so taken, is or are 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. On and after the Trigger Date, subject to the rights of holders of any series of Preferred Stock with respect to such series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be taken at a duly held annual or special meeting of stockholders and may not be taken by any consent in writing of such stockholders.

SEVENTH: Special meetings of stockholders of the Corporation may be called only by the Chief Executive Officer, the Chairman of the Board or the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies; *provided, however*, that prior to the Trigger Date, special meetings of the stockholders of the Corporation may also be called by the Secretary of the Corporation at the request of the holders of record of a majority of the outstanding shares of Common Stock. From and after the Trigger Date, and subject to the rights of holders of any series of Preferred Stock, the stockholders of the Corporation do not have the power to call a special meeting of stockholders of the Corporation.

EIGHTH: In furtherance of, and not in limitation of, the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to adopt, amend or repeal

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the bylaws of the Corporation; *provided, however*, that, the provisions of this Article Eighth notwithstanding, the bylaws of the Corporation shall not be adopted, altered, amended or repealed by the stockholders of the Corporation (i) prior to the Trigger Date, except by the vote of holders of not less than 50% in voting power of the then-outstanding shares of stock entitled to vote thereon, voting

together as a single class, or (ii) after the Trigger Date, except by the vote of holders of not less than 66²/₃% in voting power of the then-outstanding shares of stock entitled to vote thereon, voting together as a single class.

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 to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as it now exists. 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 DGCL hereafter enacted that further limits the liability of a director.

Any amendment, repeal or modification of this Article Ninth shall be prospective only and shall not affect any limitation on liability of a director for acts or omissions occurring prior to the date of such amendment, repeal or modification.

TENTH: The Sponsor Group and their Affiliates (other than the Corporation and its subsidiaries), agents, shareholders, members, partners, officers, directors and employees, including any director or officer of the Corporation who is also a shareholder, member, partner, officer, director, or employee of any member of the Sponsor Group (each, a "Specified Party"), have participated (directly or indirectly) in and may, and shall have no duty not to, continue to (x) participate (directly or indirectly) in venture capital and other direct investments in corporations, joint ventures, limited liability companies and other entities conducting business of any kind, nature or description ("Other Investments") and (y) have interests in, participate with, aid and maintain seats on the boards of directors or similar governing bodies of Other Investments, in each case that may, are or will be competitive with the business of the Corporation and its subsidiaries or in the same or similar lines of business as the Corporation and its subsidiaries, or that could be suitable for the Corporation or its subsidiaries. To the fullest extent permitted by applicable law, the Corporation, on behalf of itself and its subsidiaries, renounces any interest or expectancy of the Corporation and its subsidiaries in, or in being offered an opportunity to participate in, any such Other Investment or any business opportunities for such Other Investments that are from time to time presented to any Specified Party or are business opportunities in which a Specified Party participates or desires to participate, even if the Other Investment or business opportunity is one that the Corporation or its subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and each such Specified Party shall have no duty to communicate or offer any such Other Investment or business opportunity to the Corporation and, to the fullest extent permitted by applicable law, shall not be liable to the Corporation or any of its subsidiaries or any stockholder, including for breach of any fiduciary or other duty, as a director or officer or controlling stockholder or otherwise, and the Corporation shall indemnify each Specified Person against any claim that such Specified Person is liable to the Corporation or its stockholders for breach of any fiduciary duty, by reason of the fact that such Specified Party (i) participates in any such Other Investment or pursues or acquires any such business opportunity, (ii) directs any such

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business opportunity to another person or (iii) fails to present any such Other Investment or business opportunity, or information regarding such Other Investment or business opportunity, to the Corporation or its subsidiaries, unless, in the case of a Specified Party who is a director of the Corporation, any such business opportunity is expressly offered to such Specified Party in writing solely in his or her capacity as a director of the Corporation.

Neither the amendment nor repeal of this Article Tenth, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation or the bylaws of the Corporation, nor, to the fullest extent permitted by Delaware law, any modification of law, shall eliminate, reduce or otherwise adversely affect any right or protection of any person granted pursuant hereto existing at, or arising out of or related to any event, act or omission that occurred prior to, the time of such amendment, repeal, adoption or modification (regardless of when any proceeding (or part thereof) relating to such event, act or omission arises or is first threatened, commenced or completed).

If any provision or provisions of this Article Tenth shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (a) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article Tenth (including, without limitation, each portion of any paragraph of this Article Tenth containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) to the fullest extent possible, the provisions of this Article Tenth (including, without limitation, each such portion of any paragraph of this Article Tenth containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law.

This Article Tenth shall not limit any protections or defenses available to, or indemnification or advancement rights of, any director or officer of the Corporation under this Amended and Restated Certificate of Incorporation, the bylaws of the Corporation or applicable law. Any person or entity purchasing or otherwise acquiring any interest in any securities of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article Tenth.

ELEVENTH: The Corporation shall not be subject to the provisions of, 8 Del. C. § 203, as now in effect or hereafter amended, or any successor statute thereto, as permitted under and pursuant to subsection (b)(3) thereof.

TWELFTH: The Corporation shall have the right, subject to any express provisions or restrictions contained in this Amended and Restated Certificate of Incorporation or bylaws of the Corporation, from time to time, to amend this Amended and Restated 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 Amended and Restated Certificate of Incorporation or any amendment hereof are subject to such right of the Corporation.

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THIRTEENTH: Notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or the bylaws of the Corporation (and in addition to any other vote that may be required by law, this Amended and Restated Certificate of Incorporation or the bylaws of the Corporation), from and after the Trigger Date, the affirmative vote of the holders of at least 66²/₃% in voting power of the outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to amend, alter or repeal any provision of this Amended and Restated Certificate of Incorporation.

FOURTEENTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or agent of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation arising pursuant to any provision of the DGCL, this Amended and Restated Certificate of Incorporation or the Corporation's bylaws, or (iv) any action asserting a claim against the Corporation governed by the internal affairs doctrine, in each such case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article Fourteenth.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned has executed this Amended and Restated Certificate of Incorporation as of this day of _____, 2013.

ANTERO RESOURCES CORPORATION

By: _____
Name:
Title:

[Signature Page to Second Amended and Restated Certificate of Incorporation]

FORM OF
AMENDED AND RESTATED BYLAWS
OF
ANTERO RESOURCES CORPORATION

Incorporated under the Laws of the State of Delaware

ARTICLE I

OFFICES AND RECORDS

SECTION 1.1. Registered Office. The registered office of the Corporation in the State of Delaware shall be located at 1209 Orange Street, City of Wilmington, County of New Castle, and the name of the Corporation's registered agent at such address is The Corporation Trust Company. The registered office and registered agent of the Corporation may be changed from time to time by the board of directors of the Corporation (the "Board") in the manner provided by law.

SECTION 1.2. Other Offices. The Corporation may have such other offices, either within or without the State of Delaware, as the Board may designate or as the business of the Corporation may from time to time require.

SECTION 1.3. Books and Records. The books and records of the Corporation may be kept outside the State of Delaware at such place or places as may from time to time be designated by the Board.

ARTICLE II

STOCKHOLDERS

SECTION 2.1. Annual Meeting. If required by applicable law, an annual meeting of the stockholders of the Corporation shall be held at such date, time and place, if any, either within or without the State of Delaware, and time as may be fixed by resolution of the Board. Any other proper business may be transacted at the annual meeting. The Board may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board.

SECTION 2.2. Special Meeting. Special meetings of stockholders of the Corporation may be called only by the Chief Executive Officer, the Chairman of the Board or the Board pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies; *provided, however*, that prior to the first date on which Antero Resources Investment LLC, Warburg Pincus LLC, Yorktown Partners LLC and Trilantic Capital Partners and their Affiliates (as such term is defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended) (together, the "Sponsor Entities") no

longer own more than 50% of the outstanding shares of Common Stock of the Corporation (the "Trigger Date"), special meetings of the stockholders of the Corporation may also be called by the Secretary of the Corporation at the request of holders of record of a majority of the outstanding shares of Common Stock of the Corporation. The Board may postpone, reschedule or cancel any special meeting of the stockholders previously scheduled by the Board.

SECTION 2.3. Record Date.

(A) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. 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 may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(B) In order that the Corporation may determine the stockholders 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 may fix a record date, which record date shall not precede the date upon which the

resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

(C) Unless otherwise restricted by the Amended and Restated Certificate of Incorporation of the Corporation, as it may be amended from time to time (the “Certificate of Incorporation”), in order that the Corporation may determine the stockholders entitled to express consent to corporate action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date for determining stockholders entitled to express consent to corporate action in writing without a meeting is fixed by the Board, (i) when no prior action of the Board is required by law, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with

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applicable law, and (ii) if prior action by the Board is required by law, the record date for such purpose shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

SECTION 2.4. Stockholder List. The officer who has charge of the stock ledger shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of stockholders entitled to vote at any meeting of stockholders (*provided, however*, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), 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. Such list 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. Except as otherwise provided by law, the stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled by this section to examine the list required by this section or to vote in person or by proxy at any meeting of the stockholders.

SECTION 2.5. Place of Meeting. The Board, the Chairman of the Board or the Chief Executive Officer, as the case may be, may designate the place of meeting for any annual meeting or for any special meeting of the stockholders called by the stockholders (prior to the Trigger Date) or by the Board, the Chairman of the Board or the Chief Executive Officer. If no designation is so made, the place of meeting shall be the principal executive offices of the Corporation. The Board, acting in its sole discretion, may establish guidelines and procedures in accordance with applicable provisions of the Delaware General Corporation Law and any other applicable law for the participation by stockholders and proxyholders in a meeting of stockholders by means of remote communications, and may determine that any meeting of stockholders will not be held at any place but will be held solely by means of remote communication. Stockholders and proxyholders complying with such procedures and guidelines and otherwise entitled to vote at a meeting of stockholders shall be deemed present in person and entitled to vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication.

SECTION 2.6. Notice of Meeting. Written or printed notice, stating the place, if any, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than 10 days nor more than 60 days before the date of the meeting, in a manner pursuant to Section 7.8 hereof, to each stockholder of record entitled to vote at such meeting. The notice shall specify (i) the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting), (ii) the place, if any, date and time of such meeting, (iii) the means of remote

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communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, (iv) in the case of a special meeting, the purpose or purposes for which such meeting is called and (v) such other information as may be required by law or as may be deemed appropriate by the Board, the Chairman of the Board, the Chief Executive Officer or the Secretary of the Corporation. If the stockholder list referred to in Section 2.4 of these Bylaws is made accessible on an electronic network, the notice of meeting must indicate how the stockholder list can be accessed. If the meeting of stockholders is to be held solely by means of electronic communications, the notice of meeting must provide the information required to access such stockholder list during the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at his address as it appears on the stock transfer books 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 in accordance with the Delaware General Corporation Law. Such further notice shall be given as may be required by law. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the notice of meeting. Meetings may be held without notice if all stockholders entitled to vote are present, or if notice is waived by those not present in accordance with Section 7.4 of these Bylaws.

SECTION 2.7. Quorum and Adjournment of Meetings.

(A) Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the outstanding shares of stock of the Corporation entitled to vote at the meeting (the “Voting Stock”), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The chairman of the meeting or a majority of the shares so represented may adjourn the meeting from time to time, whether or not there is such a quorum.

(B) Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 2.8. Proxies. At all meetings of stockholders, a stockholder may vote by proxy executed in writing (or in such other manner prescribed by the Delaware General Corporation Law) by the stockholder, or by his duly authorized attorney-in-fact. Any copy, facsimile transmission or other reliable reproduction of the writing or transmission created pursuant to this section may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, *provided* that such copy, facsimile transmission or other reproduction shall be a complete reproduction of

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the entire original writing or transmission. No proxy may be voted or acted upon after the expiration of three (3) years from the date of such proxy, unless such proxy provides for a longer period. Every proxy is revocable at the pleasure of the stockholder executing it unless the proxy states that it is irrevocable and applicable law makes it irrevocable. A stockholder may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by filing another duly executed proxy bearing a later date with the Secretary of the Corporation.

SECTION 2.9. Notice of Stockholder Business and Nominations.

(A) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders at an annual meeting of stockholders may be made only (a) pursuant to the Corporation’s notice of meeting (or any supplement thereto), (b) by or at the direction of the Board or any committee thereof or (c) by any stockholder of the Corporation who (i) was a stockholder of record at the time of giving of notice provided for in these Bylaws and at the time of the annual meeting, (ii) is entitled to vote at the meeting and (iii) complies with the notice procedures set forth in these Bylaws as to such business or nomination; clause 1(c) of this Section 2.9(A) shall be the exclusive means for a stockholder to make nominations or submit other business (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and included in the Corporation’s notice of meeting) before an annual meeting of the stockholders.

(2) For any nominations or any other business to be properly brought before an annual meeting by a stockholder pursuant to Section 2.9(A)(1)(c) of these Bylaws, the stockholder must have given timely notice thereof in writing to the Secretary and such other business must otherwise be a proper matter for stockholder action under the Delaware General Corporation Law. To be timely, a stockholder’s notice shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the preceding year’s annual meeting (which anniversary, in the case of the first annual meeting of stockholders following the close of the Corporation’s initial public offering, shall be deemed to be May 1, 2014; *provided, however*, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to the date of such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or, if the first public announcement of the date of such annual meeting is less than 100 days prior to the date of such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder’s notice as described above. To be in proper form, a stockholder’s notice (whether given pursuant to this Section 2.9(A)(2) or Section 2.9(B)) to the Secretary must:

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(a) set forth, as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation’s books, and of such beneficial owner, if any, (ii) (A) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record by such stockholder and such beneficial owner, (B) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation,

whether or not such instrument or right shall be subject to settlement in the underlying class or series of stock of the Corporation or otherwise (a “Derivative Instrument”) directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (C) a description of any proxy, contract, arrangement, understanding or relationship pursuant to which such stockholder has a right to vote any shares of any security of the Corporation, (D) any short interest in any security of the Corporation (for purposes of these Bylaws a person shall be deemed to have a “short interest” in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (E) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder that are separated or separable from the underlying shares of the Corporation, (F) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner and (G) any performance-related fees (other than an asset-based fee) that such stockholder is entitled to based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder’s immediate family sharing the same household (which information shall be supplemented by such stockholder and beneficial owner, if any, not later than 10 days after the record date for the meeting to disclose such ownership as of the record date), (iii) any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (iv) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to bring such nomination or other business before the meeting, and (v) a representation as to whether such stockholder or any such beneficial owner intends or is part of a group that intends to (x) deliver a proxy statement or form of proxy to holders of at least the

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percentage of the voting power of the Corporation’s outstanding stock required to approve or adopt the proposal or to elect each such nominee or (y) otherwise to solicit proxies from stockholders in support of such proposal or nomination. If requested by the Corporation, the information required under clauses (a)(i) and (ii) of the preceding sentence of this Section 2.9(A)(2) shall be supplemented by such stockholder and any such beneficial owner not later than 10 days after the record date for notice of the meeting to disclose such information as of such record date;

(b) if the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting, set forth (i) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such stockholder and beneficial owner, if any, in such business and (ii) a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder;

(c) set forth, as to each person, if any, whom the stockholder proposes to nominate for election or reelection to the Board (i) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person’s written consent to being named in the proxy statement as a nominee and to serving as a director if elected) and (ii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the “registrant” for purposes of such rule and the nominee were a director or executive officer of such registrant; and

(d) with respect to each nominee for election or reelection to the Board, include a completed and signed questionnaire, representation and agreement required by Section 2.9(A)(2) of these Bylaws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that

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could be material to a reasonable stockholder’s understanding of the independence, or lack thereof, of such nominee.

(3) Notwithstanding anything in the second sentence of Section 2.9(A)(2) of these Bylaws to the contrary, in the event that the number of directors to be elected to the Board is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board at least 100 days prior to the first anniversary of the preceding year’s annual meeting, a stockholder’s notice required by these Bylaws shall also be considered

timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(4) The foregoing notice requirements of this Section 2.9(A) shall be deemed satisfied by a stockholder with respect to business or a nomination if such stockholder has notified the Corporation of his or her intention to present a proposal or make a nomination at an annual meeting in compliance with the applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal or nomination has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

(B) Special Meetings of Stockholders.

Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to a notice of meeting (a) by or at the direction of the Board or any committee thereof (or stockholders pursuant to Article SEVENTH of the Certificate of Incorporation and Section 2.2 of these Bylaws prior to the Trigger Date) or (b) *provided*, that the Board (or stockholders pursuant to Article SEVENTH of the Certificate of Incorporation and Section 2.2 of these Bylaws prior to the Trigger Date) has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who (i) is a stockholder of record at the time of giving of notice provided for in these Bylaws and at the time of the special meeting, (ii) is entitled to vote at the meeting, and (iii) complies with the notice procedures set forth in these Bylaws. The proposal by stockholders of other business to be conducted at a special meeting of stockholders may be made only in accordance with Article SEVENTH of the Certificate of Incorporation prior to the Trigger Date. In the event a special meeting of stockholders is called for the purpose of electing one or more directors to the Board, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by Section 2.9(A)(2) of these Bylaws with respect to any nomination (including the completed and signed questionnaire, representation and agreement required by Section 2.9(A)(2) of these Bylaws) shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or, if the first public announcement of the date of such special meeting is less than 100 days prior

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to the date of such special meeting, the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period for the giving of a stockholder's notice as described above.

(C) General.

(1) Only such persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as directors, and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in these Bylaws. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by Dow Jones News Service, the Associated Press, or any other national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the foregoing provisions of these Bylaws, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in these Bylaws; *provided, however*, that any references in these Bylaws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to Section 2.9(A)(1)(c) or Section 2.9(B) of these Bylaws. Nothing in these Bylaws shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of preferred stock of the Corporation ("Preferred Stock") if and to the extent provided for under law, the Certificate of Incorporation or these Bylaws.

(4) The Corporation may require any proposed stockholder nominee for director to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation. Unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) making a nomination or proposal under this Section 2.9 does not appear at a meeting of stockholders to present such nomination or proposal, the nomination shall be disregarded and the proposed business shall not be transacted, as the case may be, notwithstanding that proxies in favor thereof may have been received by the Corporation. For purposes of this Section 2.9, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such

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stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

SECTION 2.10. Conduct of Business. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the presiding person of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

SECTION 2.11. Procedure for Election of Directors; Required Vote. Subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, at any meeting at which directors are to be elected, so long as a quorum is present, the directors shall be elected by a plurality of the votes validly cast in such election. Except as otherwise provided by law, the rules and regulations of any stock exchange applicable to the Corporation, the Certificate of Incorporation, or these Bylaws, in all matters other than the election of directors and certain non-binding advisory votes described below, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders. In non-binding advisory matters with more than two possible vote choices, the affirmative vote of a plurality of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the recommendation of the stockholders.

Unless otherwise provided in the Certificate of Incorporation, cumulative voting for the election of directors shall be prohibited.

SECTION 2.12. 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 corporation is held, directly or indirectly by the Corporation, and such shares will not be counted for quorum purposes; *provided, however*, that the foregoing shall not limit the right of the Corporation or such other corporation, to vote stock of the Corporation held in a fiduciary capacity.

SECTION 2.13. Inspectors of Elections; Opening and Closing the Polls. At any meeting at which a vote is taken by ballots, the Board by resolution may, and when required by law, shall, appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at the meetings of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders and the appointment of an inspector is required by law, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law.

SECTION 2.14. Stockholder Action by Written Consent. Prior to the Trigger Date, any action required or permitted to be taken at any annual meeting or special meeting of the stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote of stockholders, if a consent or consents in writing, setting forth the action so taken, is or are 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. On and after the Trigger Date, subject to the rights of holders of any series of Preferred Stock with respect to such series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be taken at a duly held annual or special meeting of stockholders and may not be taken by any consent in writing of such stockholders.

ARTICLE III

BOARD OF DIRECTORS

SECTION 3.1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board elected in accordance with these Bylaws. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders. The directors shall act only as a

Board, and the individual directors shall have no power as such.

SECTION 3.2. Number, Tenure and Qualifications. Subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, the number of directors shall be fixed from time to time exclusively pursuant to a resolution adopted

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by a majority of the Board. The election and term of director shall be as set forth in the Certificate of Incorporation.

SECTION 3.3. Regular Meetings. Subject to Section 3.5, regular meetings of the Board shall be held on such dates, and at such times and places, as are determined from time to time by resolution of the Board.

SECTION 3.4. Special Meetings. Special meetings of the Board shall be called at the request of the Chairman of the Board, the Chief Executive Officer, or a majority of the Board then in office. The person or persons authorized to call special meetings of the Board may fix the place, if any, and time of the meetings. Any business may be conducted at a special meeting of the Board.

SECTION 3.5. Notice. Notice of any meeting of directors shall be given to each director at his business or residence in writing by hand delivery, first-class or overnight mail or courier service, or facsimile transmission, electronic transmission or orally by telephone. If mailed by first-class mail, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five days before such meeting. If by overnight mail or courier service, such notice shall be deemed adequately delivered when the notice is delivered to the overnight mail or courier service company at least 24 hours before such meeting. If by facsimile or electronic transmission, such notice shall be deemed adequately delivered when the notice is transmitted at least 24 hours before such meeting. If by telephone or by hand delivery, the notice shall be given at least 24 hours prior to the time set for the meeting and shall be confirmed by facsimile or electronic transmission that is sent promptly thereafter. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice of such meeting, except for amendments to these Bylaws, as provided under Section 8.1. A meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Section 7.4 of these Bylaws.

SECTION 3.6. Action by Consent of Board. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, including by electronic transmission, and the writing or writings or electronic transmissions are filed with the minutes of proceedings of the Board 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.

SECTION 3.7. Conference Telephone Meetings. Members of the Board, or any committee thereof, may participate in a meeting of the Board or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting, except where such 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.

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SECTION 3.8. Quorum. Subject to Section 3.9, a whole number of directors equal to at least a majority of the Board shall constitute a quorum for the transaction of business, but if at any meeting of the Board there shall be less than a quorum present, a majority of the directors present may adjourn the meeting from time to time without further notice unless (i) the date, time and place, if any, of the adjourned meeting are not announced at the time of adjournment, in which case notice conforming to the requirements of Section 3.5 of these Bylaws shall be given to each director, or (ii) the meeting is adjourned for more than 24 hours, in which case the notice referred to in clause (i) shall be given to those directors not present at the announcement of the date, time and place of the adjourned meeting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board. The directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum.

SECTION 3.9. Vacancies. Subject to the rights of holders of any series of Preferred Stock, any newly created directorship that results from an increase in the number of directors or any vacancy on the Board that results from the death, disability, resignation, disqualification or removal of any director or from any other cause shall be filled solely by the affirmative vote of a majority of the total number of directors then in office, even if less than a quorum, or by a sole remaining director and shall not be filled by the stockholders. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall hold office for the remaining term of his or her predecessor. No decrease in the number of authorized directors constituting the Board shall shorten the term of any incumbent director.

SECTION 3.10. Removal. Until the Trigger Date and subject to the rights of the holders of shares of any series of Preferred Stock, if any, to elect additional directors pursuant to the Certificate of Incorporation (including any certificate of designation thereunder), any director may be removed at any time, either for or without cause, upon the affirmative vote of the holders of a majority of the outstanding shares of stock of the Corporation entitled to vote generally for the election of directors, acting at a meeting of the stockholders or by written consent (if permitted) in accordance with the Delaware General Corporation Law, the Certificate of Incorporation and these Bylaws. From and after the Trigger Date and subject to the rights of the holders of shares of any series of Preferred Stock, if any, to elect additional directors pursuant to the Certificate of Incorporation (including any certificate of designation

thereunder), any director may be removed only for cause, upon the affirmative vote of the holders of at least a majority of the outstanding shares of stock of the Corporation entitled to vote generally for the election of directors, acting at a meeting of the stockholders or by written consent (if permitted) in accordance with the Delaware General Corporation Law, the Certificate of Incorporation and these Bylaws.

SECTION 3.11. Records. The Board shall cause to be kept a record containing the minutes of the proceedings of the meetings of the Board and of the stockholders, appropriate stock books and registers and such books of records and accounts as may be necessary for the proper conduct of the business of the Corporation.

SECTION 3.12. Compensation. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board shall have authority to fix the compensation of directors, including fees and reimbursement of expenses. The Corporation will cause each non-

employee director serving on the Board to be reimbursed for all reasonable out-of-pocket costs and expenses incurred by him or her in connection with such service.

SECTION 3.13. Regulations. To the extent consistent with applicable law, the Certificate of Incorporation and these Bylaws, the Board may adopt such rules and regulations for the conduct of meetings of the Board and for the management of the affairs and business of the Corporation as the Board may deem appropriate.

ARTICLE IV

COMMITTEES

SECTION 4.1. Designation; Powers. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it.

SECTION 4.2. Procedure; Meetings; Quorum. Any committee designated pursuant to Section 4.1 shall choose its own chairman by a majority vote of the members then in attendance in the event the chairman has not been selected by the Board, shall keep regular minutes of its proceedings and report the same to the Board when requested, and shall meet at such times and at such place or places as may be provided by the charter of such committee or by resolution of such committee or resolution of the Board. 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. The Board shall adopt a charter for each committee for which a charter is required by applicable laws, regulations or stock exchange rules, may adopt a charter for any other committee, and may adopt other rules and regulations for the governance of any committee not inconsistent with the provisions of these Bylaws or any such charter, and each committee may adopt its own rules and regulations of governance, to the extent not inconsistent with these Bylaws or any charter or other rules and regulations adopted by the Board.

SECTION 4.3. Substitution of Members. The Board 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 to act at the meeting in the place of the absent or disqualified member.

ARTICLE V

OFFICERS

SECTION 5.1. Officers. The officers of the Corporation shall be a Chairman of the Board, a Chief Executive Officer, a Secretary, a Treasurer and such other officers as the Board

from time to time may deem proper. The Chairman of the Board shall be chosen from among the directors. All officers elected by the Board shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this ARTICLE V. Such officers shall also have such powers and duties as from time to time may be conferred by the Board or by any committee thereof. The Board or any committee thereof may from time to time elect, or the Chairman of the Board or Chief Executive Officer may appoint, such other officers (including one or more Vice Presidents, Assistant Secretaries and Assistant Treasurers) and such agents, as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers and agents shall have such duties and shall hold their offices for such terms as shall be provided in these Bylaws or as may be prescribed by the Board or such committee thereof or by the Chairman of the Board or Chief Executive Officer, as the case may be.

SECTION 5.2. Election and Term of Office. The officers of the Corporation shall be elected or appointed from time to time by the Board. Each officer shall hold office until his successor shall have been duly elected or appointed and shall have qualified or until his death or until he shall resign, but any officer may be removed from office at any time by the affirmative vote of a majority of the

Board or, except in the case of an officer or agent elected by the Board, by the Chairman of the Board or Chief Executive Officer. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed. No elected officer shall have any contractual rights against the Corporation for compensation by virtue of such election beyond the date of the election of his successor, his death, his resignation or his removal, whichever event shall first occur, except as otherwise provided in an employment contract or under an employee deferred compensation plan.

SECTION 5.3. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the stockholders and of the Board. The Chairman of the Board shall be responsible for the general management of the affairs of the Corporation and shall perform all duties incidental to his office which may be required by law and all such other duties as are properly required of him by the Board. He shall make reports to the Board and the stockholders, and shall see that all orders and resolutions of the Board and of any committee thereof are carried into effect. The Chairman of the Board may also serve as Chief Executive Officer, if so elected by the Board.

SECTION 5.4. Chief Executive Officer. The Chief Executive Officer shall act in a general executive capacity and shall assist the Chairman of the Board in the administration and operation of the Corporation's business and general supervision of its policies and affairs. The Chief Executive Officer shall, in the absence of or because of the inability to act of the Chairman of the Board, perform all duties of the Chairman of the Board and preside at all meetings of stockholders and of the Board. The Chief Executive Officer shall have the authority to sign, in the name and on behalf of the Corporation, checks, orders, contracts, leases, notes, drafts and all other documents and instruments in connection with the business of the Corporation.

SECTION 5.5. President. The President, if any, shall have such powers and shall perform such duties as shall be assigned to him by the Board.

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SECTION 5.6. Senior Vice Presidents and Vice Presidents. Each Senior Vice President and Vice President, if any, shall have such powers and shall perform such duties as shall be assigned to him by the Board.

SECTION 5.7. Treasurer. The Treasurer shall exercise general supervision over the receipt, custody and disbursement of corporate funds. The Treasurer shall cause the funds of the Corporation to be deposited in such banks as may be authorized by the Board, or in such banks as may be designated as depositories in the manner provided by resolution of the Board. He shall have such further powers and duties and shall be subject to such directions as may be granted or imposed upon him from time to time by the Board, the Chairman of the Board or the Chief Executive Officer.

SECTION 5.8. Secretary. The Secretary shall keep or cause to be kept in one or more books provided for that purpose, the minutes of all meetings of the Board, the committees of the Board and the stockholders; he shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law; he shall be custodian of the records and the seal of the Corporation and affix and attest the seal to all stock certificates of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal; and he shall see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and in general, he shall perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board, the Chairman of the Board or the Chief Executive Officer.

SECTION 5.9. Vacancies. A newly created elected office and a vacancy in any elected office because of death, resignation, or removal may be filled by the Board for the unexpired portion of the term at any meeting of the Board. Any vacancy in an office appointed by the Chairman of the Board or the Chief Executive Officer because of death, resignation, or removal may be filled by the Chairman of the Board or the Chief Executive Officer.

SECTION 5.10. Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Board, 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

STOCK CERTIFICATES AND TRANSFERS

SECTION 6.1. Stock Certificates and Transfers. The interest of each stockholder of the Corporation shall be evidenced by certificates for shares of stock in such form as the appropriate officers of the Corporation may from time to time prescribe, *provided* that the Board may provide by resolution or resolutions that some or all of any or all classes or series of its stock may be uncertificated or electronic shares. The shares of the stock of the Corporation shall

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be entered in the books of the Corporation as they are issued and shall exhibit the holder's name and number of shares. Subject to the provisions of the Certificate of Incorporation, the shares of the stock of the Corporation shall be transferred on the books of the Corporation, which may be maintained by a third-party registrar or transfer agent, by the holder thereof in person or by his attorney, upon

surrender for cancellation of certificates for at least the same number of shares, with an assignment and power of transfer endorsed thereon or attached thereto, duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require or upon receipt of proper transfer instructions from the registered holder of uncertificated shares and upon compliance with appropriate procedures for transferring shares in uncertificated form, at which time the Corporation shall issue a new certificate to the person entitled thereto (if the stock is then represented by certificates), cancel the old certificate and record the transaction upon its books.

Each certificated share of stock shall be signed, countersigned and registered in such manner as the Board may by resolution prescribe, which resolution may permit all or any of the signatures on such certificates to be in facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

SECTION 6.2. Lost, Stolen or Destroyed Certificates. No certificate for shares or uncertificated shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the Corporation of a bond of indemnity in such amount, upon such terms and secured by such surety, as the Board or any financial officer may in its or his discretion require.

SECTION 6.3. Ownership of Shares. The Corporation shall be entitled to treat the holder of record of any share or shares of 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 6.4. Regulations Regarding Certificates. The Board 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 stock of the Corporation. The Corporation may enter into additional agreements with stockholders to restrict the transfer of stock of the Corporation in any manner not prohibited by the Delaware General Corporation Law.

ARTICLE VII

MISCELLANEOUS PROVISIONS

SECTION 7.1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January and end on the thirty-first day of December of each year.

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SECTION 7.2. Dividends. Except as otherwise provided by law or the Certificate of Incorporation, the Board may from time to time declare, and the Corporation may pay, dividends on its outstanding shares of stock, which dividends may be paid in either cash, property or shares of stock of the Corporation. A member of the Board, or a member of any committee designated by the Board, shall be fully protected in relying in good faith upon the records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board, or by any other person as to matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation, as to the value and amount of the assets, liabilities or net profits of the Corporation, or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid.

SECTION 7.3. Seal. The corporate seal shall have enscribed thereon the words "Corporate Seal," the year of incorporation and around the margin thereof the words "Antero Resources Corporation — Delaware."

SECTION 7.4. Waiver of Notice. Whenever any notice is required to be given to any stockholder or director of the Corporation under the provisions of the Delaware General Corporation Law, the Certificate of Incorporation or these Bylaws, a waiver thereof in writing, including by electronic transmission, 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. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of the stockholders or the Board or committee thereof need be specified in any waiver of notice of such meeting. 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 because the meeting is not lawfully called or convened.

SECTION 7.5. Resignations. Any director or any officer, whether elected or appointed, may resign at any time by giving written notice, including by electronic transmission, of such resignation to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary, and such resignation shall be deemed to be effective as of the close of business on the date said notice is received by the Chairman of the Board, the Chief Executive Officer, the President or the Secretary, or at such later time as is specified therein. No formal action shall be required of the Board or the stockholders to make any such resignation effective.

SECTION 7.6. Indemnification and Advancement of Expenses. (A) The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director, officer or employee of the Corporation or, while a director, officer or employee of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint

suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 7.6(C), the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board.

(B) The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition; *provided, however*, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Section 7.6 or otherwise.

(C) If a claim for indemnification under this Section 7.6 (following the final disposition of such proceeding) is not paid in full within sixty days after the Corporation has received a claim therefor by the Covered Person, or if a claim for any advancement of expenses under this Section 7.6 is not paid in full within thirty days after the Corporation has received a statement or statements requesting such amounts to be advanced, the Covered Person shall thereupon (but not before) be entitled to file suit to recover the unpaid amount of such claim. If successful in whole or in part, the Covered Person shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action, the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

(D) The rights conferred on any Covered Person by this Section 7.6 shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

(E) This Section 7.6 shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

SECTION 7.7. Notices. Except as otherwise specifically provided herein or required by law, all notices required to be given to any stockholder, director, officer, employee or agent shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage paid, or by sending such notice by commercial courier service, or by facsimile or other electronic transmission, *provided* that notice to stockholders by electronic transmission shall be given in the manner provided in Section 232 of the Delaware General Corporation Law. Any such notice shall be addressed to such stockholder, director, officer, employee or agent at his or her last known address as the same appears on the books of the Corporation. Without limiting the manner by which notice otherwise may be given effectively, notice to any stockholder shall be deemed given: (1) if by facsimile, when directed to a number at which the stockholder has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (3) if by posting on an electronic network together with separate

notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; (4) if by any other form of electronic transmission, when directed to the stockholder; and (5) if by mail, when deposited in the mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation.

SECTION 7.8. Facsimile Signatures. In addition to the provisions for 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 or a committee thereof.

SECTION 7.9. Time Periods. In applying any provision of these Bylaws which require that an act be done or not done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

SECTION 7.10. Reliance Upon Books, Reports and Records. Each director, each member of any committee designated by the Board, and each officer of the Corporation shall, in the performance of his duties, be fully protected in relying in good faith upon the records of the Corporation and upon information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees designated by the Board, or by any other person as to the matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

ARTICLE VIII

AMENDMENTS

SECTION 8.1. Amendments. Subject to the provisions of the Corporation's Certificate of Incorporation, these Bylaws may be amended, altered or repealed (a) by resolution adopted by a majority of the directors present at any special or regular meeting of

the Board at which a quorum is present if, in the case of such special meeting only, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting, (b) until the Trigger Date, at any regular or special meeting of the stockholders upon the affirmative vote of at least a majority of the shares of the Corporation entitled to vote in the election of directors if, in the case of such special meeting only, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting, or (c) from and after the Trigger Date, at any regular or special meeting of the stockholders upon the affirmative vote of at least $66\frac{2}{3}\%$ of the shares of the Corporation entitled to vote in the election of directors if, in the case of such special meeting only, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting.

Notwithstanding the foregoing, Sections 3.9 and 3.10 and this paragraph of Section 8.1 may only be amended, altered or repealed (a) until the Trigger Date, at any regular or special meeting of the stockholders upon the affirmative vote of at least a majority of the shares of the Corporation entitled to vote thereon if, in the case of such special meeting only, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such

meeting, or (b) from and after the Trigger Date, at any regular or special meeting of the stockholders upon the affirmative vote of at least $66\frac{2}{3}\%$ of the shares of the Corporation entitled to vote thereon if, in the case of such special meeting only, notice of such amendment, alteration or repeal is contained in the notice or waiver of notice of such meeting.

Notwithstanding the foregoing, no amendment, alteration or repeal of Section 7.6 shall adversely affect any right or protection existing under these Bylaws immediately prior to such amendment, alteration or repeal, including any right or protection of a present or former director, officer or employee thereunder in respect of any act or omission occurring prior to the time of such amendment.



The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right
of survivorship and not as
tenants in common

UNIF GIFT MIN ACT-Custodian.....
(Cust) (Minor)
under Uniform Gifts to Minors
Act.....
(State)

Additional abbreviations may also be used though not in the above list.

For value received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPE, NAME AND ADDRESS INCLUDING ZIP CODE, OF ASSIGNEE

_____ Shares
of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney
to transfer the Common Stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

X _____

X _____

NOTICE THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE, IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATSOEVER.

SIGNATURE(S) GUARANTEED:

THE SIGNATURE(S) MUST 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 1740-15.

Vinson & Elkins

, 2013

Antero Resources Corporation
1625 17th Street
Denver, Colorado 80202

RE: Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as counsel for Antero Resources Corporation, a Delaware corporation (the “Company”), in connection with the proposed offer and sale (the “Offering”) by the Company and the selling stockholder (the “Selling Stockholder”), pursuant to a prospectus forming a part of a Registration Statement on Form S-1, Registration No. 333-189284, originally filed with the Securities and Exchange Commission on June 13, 2013 (such Registration Statement, as amended at the effective date thereof, being referred to herein as the “Registration Statement”), of up to shares of common stock, par value \$0.01 per share, of the Company (the “Common Shares”). Immediately prior to the Offering, Antero Resources LLC will merge with and into the Company (the “Reorganization”), and in connection therewith, Common Shares of the Company will be issued to the Selling Stockholder.

In connection with this opinion, we have assumed that (i) the Registration Statement, and any amendments thereto (including post-effective amendments), will have become effective, (ii) the Common Shares will be issued and sold in the manner described in the Registration Statement and the prospectus relating thereto and (iii) the Reorganization will have been consummated in the manner described in the Registration Statement and the prospectus relating thereto (iv) a definitive underwriting agreement, in the form filed as an exhibit to the Registration Statement, with respect to the sale of the Common Shares will have been duly authorized and validly executed and delivered by the Company, the Selling Stockholder and the other parties thereto.

In connection with the opinion expressed herein, we have examined, among other things, (i) the form of Amended and Restated Certificate of Incorporation of the Company and the form of Amended and Restated Bylaws of the Company, (ii) the records of corporate proceedings that have occurred prior to the date hereof with respect to the Offering, (iii) the Registration Statement and (iv) the form of underwriting agreement filed as an exhibit to the Registration Statement. We have also reviewed such questions of law as we have deemed necessary or appropriate. As to matters of fact relevant to the opinion expressed herein, and as to factual matters arising in connection with our examination of corporate documents, records and other documents and writings, we relied upon certificates and other

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communications of corporate officers of the Company, without further investigation as to the facts set forth therein.

Based upon the foregoing, we are of the opinion that:

- (a) with respect to the Common Shares to be issued or sold by the Company, when the Common Shares have been delivered in accordance with a definitive underwriting agreement approved by the Board of Directors of the Company and upon payment of the consideration therefor provided for therein (not less than the par value of the Common Shares), such Common Shares will be duly authorized, validly issued, fully paid and nonassessable; and
- (b) with respect to the Common Shares proposed to be sold by the Selling Stockholder, following the consummation of the Reorganization, such Common Shares will be validly issued, fully paid and nonassessable.

The foregoing opinions are limited in all respects to the General Corporation Law of the State of Delaware (including the applicable provisions of the Delaware Constitution and the reported judicial decisions interpreting these laws) and the federal laws of the United States of America, and we do not express any opinions as to the laws of any other jurisdiction.

We hereby consent to the statements with respect to us under the heading “Legal Matters” in the prospectus forming a part of the Registration Statement and to the filing of this opinion as an exhibit to the Registration Statement. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, and the rules and regulations thereunder.

Very truly yours,



**FORM OF ANTERO RESOURCES CORPORATION
LONG-TERM INCENTIVE PLAN**

1. **Purpose.** The purpose of the Antero Resources Corporation Long-Term Incentive Plan (the “Plan”) is to provide a means through which Antero Resources Corporation, a Delaware corporation (the “Company”), and its Affiliates may attract and retain highly qualified persons to serve as Employees, Directors and Consultants of the Company and its Affiliates, and to provide a means whereby those individuals upon whom the responsibilities of the successful administration and management of the Company and its Affiliates rest, and whose present and potential contributions to the Company and its Affiliates are of importance, can acquire and maintain stock ownership or other awards, thereby strengthening their concern for the welfare of the Company and its Affiliates and their desire to remain employed by, or continue providing services to, the Company and its Affiliates. A further purpose of the Plan is to provide such individuals with additional incentive and reward opportunities designed to enhance the profitable growth of the Company and its Affiliates. Accordingly, the Plan provides for the granting of Incentive Stock Options, Options that do not constitute Incentive Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Dividend Equivalents, Bonus Stock, Other Stock-Based Awards, Performance Awards, or any combination of the foregoing, as is best suited to the circumstances of the particular Employee, Director or Consultant as determined by the Committee in its sole discretion.

2. **Definitions.** For purposes of the Plan, the following terms shall be defined as set forth below, in addition to such terms defined in Section 1:

(a) “Affiliate” means any corporation, partnership, limited liability company or partnership, association, trust, or other organization which, directly or indirectly, controls, is controlled by, or is under common control with, the Company. For purposes of the preceding sentence, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any entity or organization, shall mean the possession, directly or indirectly, of the power (i) to vote more than 50% of the securities having ordinary voting power for the election of directors of the controlled entity or organization or (ii) to direct or cause the direction of the management and policies of the controlled entity or organization, whether through the ownership of voting securities or by contract or otherwise.

(b) “Award” means, individually or collectively, any grant of an Option, SAR, Restricted Stock, Restricted Stock Unit, Bonus Stock, Dividend Equivalent, Other Stock-Based Award or Performance Award, together with any other right or interest granted to a Participant under the Plan.

(c) “Award Agreement” means any written agreement, contract or other instrument or document evidencing an Award.

(d) “Board” means the Board of Directors of the Company.

(e) “Bonus Stock” means an Award granted to an Eligible Person under Section 6(f).

(f) “Change in Control” means, except as otherwise provided in an Award Agreement, the occurrence of any of the following events:

(i) The acquisition of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) by any Person of 50% or more of either (x) the then-outstanding shares of Stock (the “Outstanding Stock”) or (y) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); *provided, however*, that for purposes of this paragraph (i), the following acquisitions shall not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company or any of its Affiliates, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company or (D) any acquisition by any entity pursuant to a transaction that complies with clauses (A), (B) and (C) of paragraph (iii) below;

(ii) Individuals who constitute the Incumbent Board cease for any reason to constitute at least a majority of the Board;

(iii) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or an acquisition of assets of another entity (a “Business Combination”), in each case, unless, following such Business Combination, (A) the Outstanding Stock and Outstanding Company Voting Securities immediately prior to such Business Combination represent or are converted into or exchanged for securities that represent or are convertible into more than 50% of, respectively, the then-outstanding shares of common stock or common equity interests and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of members of the board of directors or other governing body, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that as a result of such transaction owns the Company, or all or substantially all of the Company’s assets either directly or through one or more subsidiaries), (B) no Person (excluding any employee benefit plan (or related trust) of the Company or the entity resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock or common equity interests of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of the members of the board of directors or other governing body of such entity to the extent that such ownership results solely from

ownership of the Company that existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors or similar governing body of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

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Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Award that provides for the deferral of compensation and is subject to the Nonqualified Deferred Compensation Rules, then the transaction or event described in subsection (i), (ii), (iii) or (iv) above with respect to such Award must also constitute a “change in control event,” as defined in Treasury Regulation Section 1.409A-3(i)(5), and as relates to the holder of such Award, to the extent required to comply with the Nonqualified Deferred Compensation Rules.

(g) “Code” means the Internal Revenue Code of 1986, as amended. References in the Plan to a section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations thereunder.

(h) “Committee” means a committee of two or more directors designated by the Board to administer the Plan; *provided, however*, that, unless otherwise determined by the Board, the Committee shall consist solely of two or more Directors, each of whom shall be a Qualified Member (except to the extent administration of the Plan by “outside directors” is not then required in order to qualify for tax deductibility under section 162(m) of the Code).

(i) “Consultant” means any consultant or adviser engaged to provide services to the Company or any Subsidiary that qualifies as a consultant under the applicable rules of the Securities and Exchange Commission for registration of shares on a Form S-8 Registration Statement.

(j) “Covered Employee” means an Eligible Person who is a Covered Employee as specified in Section 8(d) of the Plan.

(k) “Director” means an individual elected to the Board by the stockholders of the Company or by the Board under applicable corporate law and who is serving on the Board on the Effective Date, or is subsequently elected or appointed to the Board, and is not an Employee.

(l) “Dividend Equivalent” means a right, granted to an Eligible Person under Section 6(g), to receive cash, Stock, other Awards or other property equal in value to dividends paid with respect to a specified number of shares of Stock, or to periodic payments on other specified equity securities of the Company or any Subsidiary or Affiliate; *provided, however*, that in no event shall a payment of cash or shares of Stock to the holder of a Restricted Stock Unit pursuant to Section 6(e)(ii) be considered a Dividend Equivalent.

(m) “Effective Date” means _____, 2013.

(n) “Eligible Person” means any Employee, Director or Consultant.

(o) “Employee” means any individual who is an employee of the Company or any Subsidiary.

(p) “Exchange Act” means the Securities Exchange Act of 1934, as amended. References in the Plan to any section of the Exchange Act shall be deemed to include any amendments or successor provisions thereto and rules thereunder.

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(q) “Fair Market Value” of a share of Stock means, as of any specified date, (i) if the Stock is traded on a national securities exchange, the closing sales price of the Stock, as reported on the securities exchange composite tape on such date (or if no sales occur on such date, on the last preceding date on which such sales of the Stock are so reported); (ii) if the Stock is not traded on a national securities exchange but is traded over-the-counter, the average between the reported high and low bid and asked prices of the Stock on the most recent date on which the Stock was publicly traded; or (iii) in the event the Stock is not publicly traded at the time a determination of its value is required to be made under the Plan, the amount determined by the Committee in its discretion in such manner as it deems appropriate, taking into account all factors the Committee deems appropriate including, without limitation, the Nonqualified Deferred Compensation Rules; *provided, however*, that for purposes of determining the Fair Market Value of a share of Stock on the first day on which trading prices for the Stock are reported on a national securities exchange, the Fair Market Value shall be the first purchase price reported on the securities exchange composite tape immediately following the IPO.

(r) “Incentive Stock Option” or “ISO” means any Option intended to qualify as an incentive stock option that complies with the requirements of section 422 of the Code.

(s) “Incumbent Board” means the portion of the Board constituted of the individuals who are members of the Board as of the Effective Date and any other individual who becomes a director of the Company after the Effective Date and whose

election or appointment by the Board or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Incumbent Board.

- (t) "IPO" means the initial public offering (within the meaning of Section 12(f)(1)(G) of the Exchange Act) of the Stock.
- (u) "Nonqualified Deferred Compensation Rules" means the rules set forth in section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including, without limitation, any such regulations or other guidance that may be issued after the Effective Date.
- (v) "Option" means a right, granted to an Eligible Person under Section 6(b), to purchase shares of Stock at a specified price during specified time periods and includes both ISOs and Options that do not constitute ISOs.
- (w) "Other Stock-Based Award" means a payment in the form of shares of Stock, an Award that is valued in whole or in part by reference to, or otherwise based on, shares of Stock, or another right to purchase shares of Stock, as part of a bonus, deferred compensation or other arrangement, granted to an Eligible Person under Section 6(h).

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- (x) "Participant" means a Person who has been granted an Award under the Plan that remains outstanding, including a Person who is no longer an Eligible Person.
- (y) "Performance Award" means an Award granted to an Eligible Person under Section 8 that provides such Eligible Person with an opportunity to earn cash and/or shares of Stock if certain performance criteria are satisfied.
- (z) "Person" means any person or entity of any nature whatsoever, specifically including an individual, a firm, a company, a corporation, a partnership, a limited liability company, a trust or other entity; a Person, together with that Person's Affiliates and Associates (as those terms are defined in Rule 12b-2 under the Exchange Act, provided that "registrant" as used in Rule 12b-2 shall mean the Company), and any Persons acting as a partnership, limited partnership, joint venture, association, syndicate or other group (whether or not formally organized), or otherwise acting jointly or in concert or in a coordinated or consciously parallel manner (whether or not pursuant to any express agreement), for the purpose of acquiring, holding, voting or disposing of securities of the Company with such Person, shall be deemed a single "Person."
- (aa) "Qualified Member" means a member of the Committee who is a "nonemployee director" (within the meaning of Rule 16b-3) and an "outside director" (within the meaning of Treasury Regulation Section 1.162-27 under section 162(m) of the Code).
- (bb) "Restricted Stock" means Stock granted to an Eligible Person under Section 6(d), that is subject to certain restrictions and to a risk of forfeiture.
- (cc) "Restricted Stock Unit" means a right granted to an Eligible Person under Section 6(e) that, to the extent vested, entitles such Eligible Person to receive a share of Stock or the Fair Market Value of a share of Stock in cash or a combination thereof.
- (dd) "Rule 16b-3" means Rule 16b-3 promulgated by the Securities and Exchange Commission under section 16 of the Exchange Act, as such rule may be amended from time to time, and any successor rule, regulation, or statute fulfilling the same or a similar function.
- (ee) "Securities Act" means the Securities Act of 1933, as amended. References in the Plan to any section of the Securities Act shall be deemed to include any amendments and successor provisions thereto and the rules and regulations promulgated thereunder.
- (ff) "Stock" means the Company's common stock, par value \$0.01 per share, and such other securities as may be substituted (or resubstituted) for Stock pursuant to Section 9.
- (gg) "Stock Appreciation Right" or "SAR" means a right granted to an Eligible Person under Section 6(c) entitling such Eligible Person to receive in Stock or, in the sole discretion of the Committee, cash, equal to the difference between the Fair Market Value of a share of Stock on the date of exercise and the grant price of the SAR, as determined by the Committee.

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(hh) "Subsidiary" means, with respect to the Company, any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by the Company.

3. Administration.

- (a) Authority of the Committee. The Plan shall be administered by the Committee except to the extent the Board

elects to administer the Plan, in which case references herein to the “Committee” shall be deemed to include references to the “Board.” Subject to the express provisions of the Plan and Rule 16b-3, the Committee shall have the authority, in its sole and absolute discretion, to (i) adopt, amend, and rescind administrative and interpretive rules and regulations relating to the Plan; (ii) determine the Eligible Persons to whom, and the time or times at which, Awards shall be granted; (iii) determine the type or types of Awards to be granted to an Eligible Person and the amount of cash and/or the number of shares of Stock that shall be the subject of each Award; (iv) determine the terms and provisions of each Award Agreement (which need not be identical), including provisions defining or otherwise relating to (A) the term and the period or periods and extent of exercisability of the Options, (B) the extent to which the transferability of shares of Stock issued or transferred pursuant to any Award is restricted, (C) except as otherwise provided herein, the effect of termination of employment, or the service relationship with the Company, of a Participant on the Award, and (D) the effect of approved leaves of absence (consistent with any applicable regulations of the Internal Revenue Service); (v) accelerate the time of vesting or exercisability of any Award that has been granted; (vi) construe the respective Award agreements and the Plan; (vii) make determinations of the Fair Market Value of the Stock pursuant to the Plan; (viii) delegate its duties under the Plan (including, but not limited to, the authority to grant Awards) to such agents as it may appoint from time to time, provided that the Committee may not delegate its duties where such delegation would violate state corporate law, or with respect to making Awards to, or otherwise with respect to Awards granted to, Eligible Persons who are subject to section 16(b) of the Exchange Act or who are Covered Employees receiving Awards that are intended to constitute “performance-based compensation” within the meaning of section 162(m) of the Code; (ix) subject to Section 10(c), terminate, modify or amend the Plan; and (x) make all other determinations, perform all other acts, and exercise all other powers and authority necessary or advisable for administering the Plan, including the delegation of those ministerial acts and responsibilities as the Committee deems appropriate. Subject to Rule 16b-3 and section 162(m) of the Code, the Committee may correct any defect, supply any omission, or reconcile any inconsistency in the Plan, in any Award, or in any Award Agreement in the manner and to the extent it deems necessary or desirable to carry the Plan into effect, and the Committee shall be the sole and final judge of such necessity or desirability. The determinations of the Committee on the matters referred to in this Section 3(a) shall be final, conclusive and binding on the Company, its Subsidiaries and Affiliates, the Participants and all other Persons having any interest therein.

(b) Manner of Exercise of Committee Authority. At any time that a member of the Committee is not a Qualified Member, any action of the Committee relating to an Award granted or to be granted to a Participant who is then subject to section 16 of the Exchange Act in respect of the Company, or relating to an Award intended to constitute qualified

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“performance-based compensation” within the meaning of section 162(m) of the Code, may be taken either (i) by a subcommittee, designated by the Committee, that is composed solely of two or more Qualified Members or (ii) by the Committee but with each such member who is not a Qualified Member abstaining or recusing himself or herself from such action; *provided, however*, that, upon such abstention or recusal, the Committee remains composed solely of two or more Qualified Members. Such action, authorized by such a subcommittee or by the Committee upon the abstention or recusal of such non-Qualified Member(s), shall be the action of the Committee for purposes of the Plan. Any action of the Committee shall be final, conclusive and binding on all Persons, including the Company, its Subsidiaries, stockholders, Participants, Beneficiaries, and transferees under Section 10(a) or other Persons claiming rights from or through a Participant. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. The Committee may delegate to officers or managers of the Company or any of its Subsidiaries, or committees thereof, the authority, subject to such terms as the Committee shall determine, to perform such functions, including administrative functions, as the Committee may determine, to the extent that such delegation will not result in the loss of an exemption under Rule 16b-3 for Awards granted to Participants subject to section 16 of the Exchange Act in respect of the Company and will not cause Awards intended to qualify as “performance-based compensation” under section 162(m) of the Code to fail to so qualify. Any delegation described in this Section 3(b) shall contain such limitations and restrictions as the Committee may provide and shall comply in all respects with the requirements of applicable law, including the Delaware General Corporation Law. The Committee may appoint agents to assist it in administering the Plan.

(c) Limitation of Liability. The Committee and each member thereof shall be entitled to, in good faith, rely or act upon any report or other information furnished to him or her by any officer or Employee of the Company or any of its Subsidiaries, the Company’s legal counsel, independent auditors, consultants or any other agents assisting in the administration of the Plan. Members of the Committee and any officer or Employee of the Company or any of its Subsidiaries acting at the direction or on behalf of the Committee shall not be personally liable for any action or determination taken or made in good faith with respect to the Plan, and shall, to the fullest extent permitted by law, be fully indemnified and held harmless by the Company with respect to any such action or determination.

(d) No Repricing of Options or Stock Appreciation Rights. Other than pursuant to Section 9, neither the Board nor the Committee may provide for the repricing or exchange of underwater Options or SARs for cash consideration, other Awards, or Options or SARs with an exercise price that is less than the original exercise price of such underwater Options or SARs, unless such repricing or exchange receives the approval of a majority of the holders of the Stock.

4. Stock Subject to Plan.

(a) Overall Number of Shares Available for Delivery. Subject to adjustment in a manner consistent with any adjustment made pursuant to Section 9, the total number of shares of Stock reserved and available for issuance in connection with Awards

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under the Plan shall not exceed

shares. Notwithstanding any other provision of the Plan to the contrary, the aggregate grant

date fair value (computed as of the date of grant in accordance with applicable financial accounting rules) of all Awards granted to any Director during any single calendar year shall not exceed \$ _____; *provided, however*, that such limitation shall be \$ _____ in the first year a Person becomes a Director.

(b) Application of Limitation to Grants of Awards. Subject to Section 4(c), no Award may be granted if the number of shares of Stock to be delivered in connection with such Award exceeds the number of shares of Stock remaining available under the Plan minus the number of shares of Stock issuable in settlement of or relating to then-outstanding Awards. The Committee may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or substitute awards) and make adjustments if the number of shares of Stock actually delivered differs from the number of shares previously counted in connection with an Award.

(c) Availability of Shares Not Issued under Awards. Shares of Stock subject to an Award under the Plan that expires or is canceled, forfeited, exchanged, settled in cash or otherwise terminated, including (i) shares forfeited with respect to Restricted Stock, (ii) shares tendered or withheld in payment of any exercise or purchase price of an Award or taxes relating to an Award and (iii) shares that were subject to an Option or an SAR and were not issued or delivered upon the net settlement or net exercise of such Option or SAR, shall be available again for issuance in connection with Awards under the Plan. Shares of Stock that are surrendered in payment of any exercise or purchase price of an Award or taxes relating to any Award shall not be available again for issuance in connection with Awards under the Plan.

(d) Share and Value Limitation on Awards.

(i) The maximum number of shares of Stock that may be issued pursuant to Incentive Stock Options may not exceed _____ shares.

(ii) No Participant shall be granted, during any 12-month period, Options or Stock Appreciation Rights that the Committee intends to qualify as “performance-based compensation” under section 162(m) of the Code with respect to more than _____ shares of Stock in the aggregate or any other Awards with respect to more than _____ shares of Stock (in each case, subject to adjustment as provided in Section 9).

(iii) The maximum amount of cash compensation that may be paid under Awards that the Committee intends to qualify as “performance-based compensation” under section 162(m) of the Code granted to any single Covered Employee during any 12-month period may not exceed \$ _____.

The limitations set forth in clauses (ii) and (iii) above are intended to permit certain Awards under the Plan for Covered Employees to constitute “performance-based” compensation for purposes of section 162(m) of the Code.

(e) Stock Offered. The shares to be delivered under the Plan shall be made available from (i) authorized but unissued shares of Stock, (ii) Stock held in the treasury of the Company, or (iii) previously issued shares of Stock reacquired by the Company, including shares purchased on the open market.

5. Eligibility. Awards may be granted under the Plan only to Persons who are Eligible Persons at the time of grant thereof. An Award may be granted on more than one occasion to the same Person, subject to the limitations set forth in the Plan. The Plan is discretionary in nature, and the grant of Awards by the Committee is voluntary. The Committee’s selection of an eligible Employee, Consultant or Director to receive an Award in any year or at any time shall not require the Committee to select such Employee, Consultant or Director to receive an Award in any other year or at any other time. The Committee shall consider such factors as it deems pertinent in selecting Participants.

6. Specific Terms of Awards.

(a) General. Awards may be granted on the terms and conditions set forth in this Section 6. In addition, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Section 10(c)), such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine, including terms regarding forfeiture of Awards in the event of termination of employment by the Participant, or termination of the Participant’s service relationship with the Company, and terms permitting a Participant to make elections relating to his or her Award. The Committee shall retain full power and discretion to accelerate, waive or modify, at any time, any term or condition of an Award that is not mandatory under the Plan; *provided, however*, that the Committee shall not have any discretion to accelerate, waive or modify any term or condition of an Award that is intended to qualify as “performance-based compensation” for purposes of section 162(m) of the Code if such discretion would cause the Award to not so qualify or to accelerate the terms of payment of any Award that provides for a deferral of compensation under the Nonqualified Deferred Compensation Rules if such acceleration would subject a Participant to additional taxes under the Nonqualified Deferred Compensation Rules.

(b) Options. The Committee is authorized to grant Options to Eligible Persons on the following terms and conditions:

(i) Exercise Price. Except as otherwise provided in Section 6(b)(ii), the price at which a share of Stock may be purchased upon the exercise of an Option (the “Exercise Price”) shall be determined by the Committee and set forth in the Award Agreement evidencing such Option; *provided, however*, that (A) the exercise price per share of the Stock under each Option shall not be less than 100% of the Fair Market Value of a share of the Stock on the date the Option is granted; and (B) the

such Option or (2) 100% of the Fair Market Value per share of the Stock subject to such Option as of the date of grant of such Option (or, in the case of an individual who owns (or is deemed to own pursuant to section 424(d) of the Code) stock possessing more than 10 percent of the total combined voting power of all classes of stock of the Company or its parent or any Subsidiary, 110% of the Fair Market Value per share of the Stock subject to such Option on the date of grant of such Option).

(ii) Time and Method of Exercise. The Committee shall determine the time or times at which, or the circumstances under which, an Option may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the methods by which the Exercise Price with respect to an Option may be paid or deemed to be paid, the form of such payment, including without limitation cash, Stock, other Awards or awards granted under other plans of the Company or any Subsidiary, or other property (including notes or other contractual obligations of Participants to make payment on a deferred basis), and the methods by or forms in which Stock will be delivered or deemed to be delivered to Participants, including, but not limited to, the delivery of Restricted Stock subject to Section 6(d). In the case of an exercise whereby the Exercise Price is paid with Stock, such Stock shall be valued as of the date of exercise. The Award Agreement governing each Option shall set forth the last date that the Option may be exercised (the "Option Expiration Date"), and, except with respect to an ISO, may provide (A) for the automatic exercise of such Option on the Option Expiration Date if the exercise price per share of the Stock under the Option is less than the Fair Market Value per share of the Stock on the Option Expiration Date and the Participant has not previously exercised such Option, or (B) that in the event trading in the Stock is prohibited by applicable law, the term of the Option shall automatically be extended until the date that is 30 days after such prohibition is lifted, to the extent that such extension does not cause the Participant to become subject to taxation under the Nonqualified Deferred Compensation Plan Rules.

(iii) ISOs. The terms of any ISO granted under the Plan shall comply in all respects with the provisions of section 422 of the Code. Except as otherwise provided in Section 9, no term of the Plan relating to ISOs (including any SAR in tandem therewith) shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be exercised, so as to disqualify either the Plan or any ISO under section 422 of the Code, unless the Participant has first requested the change that will result in such disqualification. ISOs shall not be granted more than 10 years after the earlier of the adoption of the Plan or the approval of the Plan by the Company's stockholders. Notwithstanding the foregoing, the Fair Market Value of shares of Stock subject to an ISO and the aggregate Fair Market Value of shares of stock of any parent or subsidiary corporation (within the meaning of sections 424(e) and (f) of the Code) subject to any other ISO (within the meaning of section 422 of the Code) of the Company or a parent or subsidiary corporation (within the meaning of sections 424(e) and (f) of the Code) that are exercisable for the first time by a Participant in any calendar year may not (with respect to such Participant) exceed \$100,000, or such other amount as may be prescribed under section 422 of the Code or applicable regulations or rulings from time to time. As used in

the previous sentence, Fair Market Value shall be determined as of the date the ISOs are granted. Failure to comply with this provision shall not impair the enforceability or exercisability of any Option, but shall cause the excess amount of shares to be reclassified in accordance with the Code.

(c) Stock Appreciation Rights. The Committee is authorized to grant SARs to Eligible Persons on the following terms and conditions:

(i) Right to Payment. An SAR shall confer on the Participant to whom it is granted a right to receive with respect to each share of Stock subject thereto, upon exercise thereof, the excess of (A) the Fair Market Value of one share of Stock on the date of exercise over (B) the grant price of the SAR, as determined by the Committee; *provided, however*, that the grant price per share of the Stock under each SAR shall not be less than 100% of the Fair Market Value of a share of the Stock on the date the SAR is granted.

(ii) Rights Related to Options. An SAR granted pursuant to an Option shall entitle a Participant, upon exercise, to surrender such Option or any portion thereof, to the extent unexercised, and to receive payment of an amount computed pursuant to Section 6(c)(ii)(B). That Option shall then cease to be exercisable to the extent surrendered. SARs granted in connection with an Option shall be subject to the terms of the Award Agreement governing such Option, which shall comply with the following provisions in addition to those applicable to Options:

(A) An SAR granted in connection with an Option shall be exercisable only at such time or times and only to the extent that the related Option is exercisable and shall not be transferable except to the extent that the related Option is transferable.

(B) Upon the exercise of an SAR related to an Option, a Participant shall be entitled to receive payment from the Company of an amount determined by multiplying:

(1) the difference obtained by subtracting the Exercise Price with respect to a share of Stock specified in the related Option from the Fair Market Value of a share of Stock on the date of exercise of such SAR, by

(2) the number of shares as to which such SAR has been exercised.

(iii) Right Without Option. An SAR granted independent of an Option shall be exercisable as determined by the Committee and set forth in the Award Agreement governing the SAR, which Award Agreement shall comply with the following provisions:

(A) Each Award Agreement shall state the total number of shares of Stock to which the SAR relates.

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(B) Each Award Agreement shall state the time or periods in which the right to exercise the SAR or a portion thereof shall vest and the number of shares of Stock for which the right to exercise the SAR shall vest at each such time or period.

(C) Each Award Agreement shall state the date at which the SARs shall expire if not previously exercised.

(D) Each SAR shall entitle a Participant, upon exercise thereof, to receive payment of an amount determined by multiplying:

(1) the difference obtained by subtracting the Fair Market Value of a share of Stock on the date of grant of such SAR from the Fair Market Value of a share of Stock on the date of exercise of such SAR, by

(2) the number of shares as to which such SAR has been exercised.

(iv) Terms. Except as otherwise provided herein, the Committee shall determine at the date of grant or thereafter, the time or times at which and the circumstances under which an SAR may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the method of exercise, method of settlement, form of consideration payable in settlement, method by or forms in which Stock will be delivered or deemed to be delivered to Participants, whether or not an SAR shall be in tandem or in combination with any other Award, and any other terms and conditions of any SAR. The Award Agreement governing each SAR shall set forth the last date that the SAR may be exercised (the "SAR Expiration Date"), and may provide (A) for the automatic exercise of such SAR on the SAR Expiration Date if the exercise price per share of the Stock under the SAR is less than the Fair Market Value per share of the Stock on the SAR Expiration Date and the Participant has not previously exercised such SAR, or (B) that in the event trading in the Stock is prohibited by applicable law, the term of the SAR shall automatically be extended until the date that is 30 days after such prohibition is lifted, to the extent that such extension does not cause the Participant to become subject to taxation under the Nonqualified Deferred Compensation Plan Rules.

(d) Restricted Stock. The Committee is authorized to grant Restricted Stock to Eligible Persons on the following terms and conditions:

(i) Grant and Restrictions. Restricted Stock shall be subject to a substantial risk of forfeiture and such restrictions on transferability and other restrictions, if any, as the Committee may impose, which restrictions may lapse separately or in combination at such times, under such circumstances (including based on achievement of performance goals and/or future service requirements), in such installments or otherwise, as the Committee may determine at the date of grant or thereafter. During the restricted

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period applicable to the Restricted Stock, the Restricted Stock may not be sold, transferred, pledged, hypothecated, margined or otherwise encumbered by the Participant.

(ii) Certificates for Stock. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Stock are registered in the name of the Participant, the Committee may require that such certificates bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock, the Company shall retain physical possession of the certificates, and the Committee may require that the Participant deliver a stock power to the Company, endorsed in blank, relating to the Restricted Stock.

(iii) Dividends and Splits. As a condition to the grant of an Award of Restricted Stock, the Committee may require or permit a Participant to elect that any cash dividends paid on a share of Restricted Stock be automatically reinvested in additional shares of Restricted Stock, applied to the purchase of additional Awards under the Plan or deferred without interest to the date of vesting of the associated Restricted Stock; *provided, that*, to the extent applicable, any such election shall comply with the Nonqualified Deferred Compensation Rules. Unless otherwise determined by the Committee, Stock distributed in connection with a Stock split or Stock dividend, and other property (other than cash) distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property has been

distributed. Notwithstanding anything to the contrary in this Section 6(d)(iii), any cash dividends and Stock dividends with respect to Restricted Stock that constitutes a Performance Award shall be withheld by the Company for a Participant's account (and interest may, at the Committee's discretion, be credited on the amount of the cash dividends withheld at a rate and subject to such terms as determined by the Committee) and shall be distributed to such Participant in cash or, at the discretion of the Committee, in shares of Stock having a Fair Market Value equal to the amount of such dividends, if applicable, upon the vesting of such Restricted Stock and, if such Restricted Stock is forfeited, the Participant shall have no right to such dividends.

(e) Restricted Stock Units. The Committee is authorized to grant Restricted Stock Units to Eligible Persons, subject to the following terms and conditions:

(i) Award and Restrictions. Settlement of Restricted Stock Units shall occur upon expiration of the deferral period specified for such Restricted Stock Units by the Committee (or, if permitted by the Committee, as elected by the Participant). In addition, Restricted Stock Units shall be subject to such restrictions (which may include a risk of forfeiture) as the Committee may impose, if any, which restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of performance goals and/or future service requirements), separately or in combination, in installments or otherwise, as the Committee may determine. Restricted Stock Units shall be satisfied by the delivery of cash or Stock in the amount equal to the Fair Market Value of the specified number of shares of Stock covered by the Restricted Stock Units, or a combination thereof, as determined by the Committee at the date of grant or thereafter.

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(ii) Payment of Dividends. Unless otherwise determined by the Committee on the date of grant and specified in the applicable Award Agreement, upon the Company's payment of a dividend on its outstanding Stock, the holder of a Restricted Stock Unit shall be entitled to either cash or shares of unrestricted Stock having a Fair Market Value equal to the amount of such dividends, which cash or Stock may either be paid to such holder on the date the Company pays such dividends on its outstanding Stock or deferred with respect to such Restricted Stock Units and the amount or value thereof automatically deemed reinvested in additional Restricted Stock Units, as determined by the Committee in its sole discretion and set forth in the applicable Award Agreement.

(f) Bonus Stock and Awards in Lieu of Obligations. The Committee is authorized to grant Stock as a bonus or to grant Stock in lieu of obligations to pay cash or deliver other property under this Plan or under other plans or compensatory arrangements, provided that, in the case of Participants subject to section 16 of the Exchange Act, the amount of such grants remains within the discretion of the Committee to the extent necessary to ensure that acquisitions of Stock are exempt from liability under section 16(b) of the Exchange Act. Stock or Awards granted hereunder shall be subject to such other terms as shall be determined by the Committee. In the case of any grant of Stock to an officer of the Company or any of its Subsidiaries in lieu of salary or other cash compensation, the number of shares granted in place of such compensation shall be reasonable, as determined by the Committee.

(g) Dividend Equivalents. The Committee is authorized to grant Dividend Equivalents to an Eligible Person, entitling such Eligible Person to receive cash, Stock, other Awards, or other property equal in value to dividends paid with respect to a specified number of shares of Stock, or other periodic payments. Dividend Equivalents may be awarded on a free-standing basis or in connection with another Award. The Committee may provide that Dividend Equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional Stock, Awards, or other investment vehicles, and subject to such restrictions on transferability and risks of forfeiture, as the Committee may specify.

(h) Other Awards. The Committee is authorized, subject to limitations under applicable law, to grant to Eligible Persons such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Stock, as deemed by the Committee to be consistent with the purposes of the Plan, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Stock, purchase rights for Stock, Awards with value and payment contingent upon performance of the Company or any other factors designated by the Committee, and Awards valued by reference to the book value of Stock or the value of securities of or the performance of specified Subsidiaries of the Company. The Committee shall determine the terms and conditions of such Other Stock-Based Awards. Stock delivered pursuant to an Award in the nature of a purchase right granted under this Section 6(h) shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Stock, other Awards or other property, as the Committee shall determine. Cash awards, as an element of or supplement to any other Award under the Plan, may also be granted pursuant to this Section 6(h).

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7. Certain Provisions Applicable to Awards.

(a) Termination of Employment. Except as provided herein, the treatment of an Award upon a termination of employment or any other service relationship by and between a Participant and the Company or any Subsidiary shall be specified in the agreement controlling such Award.

(b) Stand-Alone, Additional, Tandem, and Substitute Awards. Awards granted under the Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award or any award granted under any other plan of the Company, or any of its Subsidiaries or Affiliates, or of any business entity to be acquired by the Company or any of its Subsidiaries or Affiliates, or any other right of a Participant to receive payment from the Company or any of its Subsidiaries. Such additional, tandem and substitute or exchange Awards may be granted at any time. If an Award is granted in

substitution or exchange for any other Award, the Committee shall require the surrender of such other Award in consideration for the grant of the new Award; *provided, however*, that any such substitution or exchange shall not be considered a repricing of an Award for purposes of Section 3(d). Awards under the Plan may be granted in lieu of cash compensation, including in lieu of cash amounts payable under other plans of the Company or any of its Subsidiaries, in which the value of Stock subject to the Award is equivalent in value to the cash compensation, or in which the Exercise Price, grant price or purchase price of the Award in the nature of a right that may be exercised is equal to the Fair Market Value of the underlying Stock minus the value of the cash compensation surrendered. Awards granted pursuant to the preceding sentence shall be designed, awarded and settled in a manner that does not result in additional taxes under the Nonqualified Deferred Compensation Rules.

(c) Term of Awards. Except as specified herein, the term of each Award shall be for such period as may be determined by the Committee; *provided, that* in no event shall the term of any Option or SAR exceed a period of ten years (or such shorter term as may be required in respect of an ISO under section 422 of the Code).

(d) Form and Timing of Payment under Awards; Deferrals. Subject to the terms of the Plan and any applicable Award Agreement, payments to be made by the Company or any of its Subsidiaries upon the exercise of an Option or other Award or settlement of an Award may be made in such forms as the Committee shall determine, including, without limitation, cash, Stock, other Awards or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis; *provided, however*, that any such deferred payment will be set forth in the agreement evidencing such Award and/or otherwise made in a manner that will not result in additional taxes under the Nonqualified Deferred Compensation Rules. Except as otherwise provided herein, the settlement of any Award may be accelerated, and cash paid in lieu of Stock in connection with such settlement, in the discretion of the Committee or upon occurrence of one or more specified events (in addition to a Change in Control). Installment or deferred payments may be required by the Committee (subject to Section 10(c), including the consent provisions thereof in the case of any deferral of an outstanding Award not provided for in the original Award Agreement) or permitted at the election of the Participant on terms and conditions established by the Committee and in compliance with the Nonqualified Deferred Compensation

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Rules. Payments may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents or other amounts in respect of installment or deferred payments denominated in Stock. Any deferral shall only be allowed as is provided in a separate deferred compensation plan adopted by the Company and shall be made pursuant to the Nonqualified Deferred Compensation Rules. The Plan shall not constitute an "employee benefit plan" for purposes of section 3(3) of the Employee Retirement Income Security Act of 1974, as amended.

(e) Exemptions from Section 16(b) Liability. It is the intent of the Company that the grant of any Awards to or other transaction by a Participant who is subject to section 16 of the Exchange Act shall be exempt from such section pursuant to an applicable exemption (except for transactions acknowledged in writing to be non-exempt by such Participant). Accordingly, if any provision of the Plan or any Award Agreement does not comply with the requirements of Rule 16b-3 as then applicable to any such transaction, such provision shall be construed or deemed amended to the extent necessary to conform to the applicable requirements of Rule 16b-3 so that such Participant shall avoid liability under section 16(b) of the Exchange Act.

(f) Restrictive Covenants. Each Participant to whom an Award is granted under the Plan may be required to agree in writing, as a condition to the granting of such Award, to comply with certain non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement applicable to such Award or otherwise applicable to the Participant (a "Restrictive Covenant Agreement"); *provided, however*, to the extent a legally binding right to an Award within the meaning of the Nonqualified Deferred Compensation Rules is created with respect to a Participant, such Restrictive Covenant Agreement must be entered into by such Participant within 30 days following the creation of such legally binding right.

8. Performance Awards.

(a) Performance Conditions. The right of a Participant to exercise or receive a grant or settlement of any Award, and the timing thereof, may be subject to such performance conditions as may be specified by the Committee. The Committee may use such business criteria and other measures of performance as it may deem appropriate in establishing any performance conditions, and may exercise its discretion to reduce or increase the amounts payable under any Award subject to performance conditions, except as limited under Section 8(b) in the case of a Performance Award intended to qualify under section 162(m) of the Code.

(b) Performance Awards Granted to Designated Covered Employees. If the Committee determines that a Performance Award to be granted to an Eligible Person who is designated by the Committee as likely to be a Covered Employee should qualify as "performance-based compensation" for purposes of section 162(m) of the Code, the grant, exercise and/or settlement of such Performance Award may be contingent upon achievement of pre-established performance goals and other terms set forth in this Section 8(b).

(i) Performance Goals Generally. The performance goals for such Performance Awards shall consist of one or more business criteria or individual

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performance criteria and a targeted level or levels of performance with respect to each of such criteria, as specified by the Committee consistent with this Section 8(b), which level may also be expressed in terms of a specified increase or decrease in the

particular criteria compared to a past period. Performance goals shall be objective and shall otherwise meet the requirements of section 162(m) of the Code, including the requirement that the level or levels of performance targeted by the Committee result in the achievement of performance goals being “substantially uncertain” at the time the Committee actually establishes the performance goal or goals. The Committee may determine that such Performance Awards shall be granted, exercised and/or settled upon achievement of any one performance goal or that two or more of the performance goals must be achieved as a condition to grant, exercise and/or settlement of such Performance Awards. Performance goals may differ for Performance Awards granted to any one Participant or to different Participants.

(ii) Business and Individual Performance Criteria

(A) Business Criteria. One or more of the following business criteria for the Company, on a consolidated basis, and/or for specified Subsidiaries or business or geographical units of the Company (except with respect to the total stockholder return and earnings per share criteria), shall be used by the Committee in establishing performance goals for such Performance Awards: (1) earnings per share; (2) increase in revenues; (3) cash flow; (4) cash flow from operations; (5) return on cash flow; (6) return on net assets; (7) return on assets; (8) return on investment; (9) return on capital; (10) return on equity; (11) economic value added; (12) operating margin; (13) contribution margin; (14) net income; (15) net income per share; (16) pretax earnings; (17) earnings before or after either, or any combination of, interest, taxes, depreciation, depletion or amortization; (18) total stockholder return; (19) debt reduction; (20) market share; (21) change in the Fair Market Value of the Stock; (22) cost or expense management goals; (23) operational measures such as changes in proved reserves, production goals, drilling costs, lifting costs, exploration costs, environmental compliance, safety and accident rates, mix of oil and natural gas production or reserves; (24) finding and development costs; (25) recycling ratios; (26) reserve growth, additions or revisions; (27) captured prospects; (28) lease operating expense; (29) captured net risked resource potential; (30) acquisition cost efficiency; (31) acquisitions of oil and gas interests; (32) drillable prospects, capabilities and critical path items established; (33) third-party capital sourcing; (34) acquisitions of oil and gas interests; (35) reserve replacement ratios; (36) reserve replacement costs; (37) exploration successes; (38) operational downtime; (39) rig utilization; and (40) any of the above goals determined on an absolute or relative basis or as compared to the performance of a published or special index deemed applicable by the Committee including, but not limited to, the Standard & Poor’s 500 Stock Index or a group of comparable companies.

(B) Individual Performance Criteria. The grant, exercise and/or settlement of Performance Awards may also be contingent upon individual

performance goals established by the Committee. If required for compliance with section 162(m) of the Code, such criteria shall be approved by the stockholders of the Company.

(iii) Performance Period: Timing for Establishing Performance Goals. Achievement of performance goals in respect of such Performance Awards shall be measured over a performance period of up to ten years, as specified by the Committee. Performance goals shall be established not later than 90 days after the beginning of any performance period applicable to such Performance Awards, or at such other date as may be required or permitted for “performance-based compensation” under section 162(m) of the Code.

(iv) Performance Award Pool. The Committee may establish a Performance Award pool, which shall be an unfunded pool, for purposes of measuring performance of the Company in connection with Performance Awards. The amount of such Performance Award pool shall be based upon the achievement of a performance goal or goals based on one or more of the criteria set forth in Section 8(b)(ii) during the given performance period, as specified by the Committee in accordance with Section 8(b)(iii). The Committee may specify the amount of the Performance Award pool as a percentage of any of such criteria, a percentage thereof in excess of a threshold amount, or as another amount which need not bear a strictly mathematical relationship to such criteria.

(v) Settlement of Performance Awards; Other Terms. After the end of each performance period, the Committee shall certify the amount, if any, of (A) the Performance Award pool, and the maximum amount of the potential Performance Award payable to each Participant in the Performance Award pool, or (B) the amount of the potential Performance Award otherwise payable to each Participant. Settlement of such Performance Awards shall be in cash, Stock, other Awards or other property, in the discretion of the Committee. The Committee may, in its discretion, reduce the amount of a settlement otherwise to be made in connection with such Performance Awards, but may not exercise discretion to increase any such amount payable to a Covered Employee in respect of a Performance Award subject to this Section 8(b). The Committee shall specify the circumstances in which such Performance Awards shall be paid or forfeited in the event of termination of employment by the Participant prior to the end of a performance period or settlement of Performance Awards.

(c) Written Determinations. All determinations by the Committee as to the establishment of performance goals, the amount of any Performance Award pool or potential individual Performance Awards and as to the achievement of performance goals relating to and final settlement of Performance Awards under Section 8(b), shall be certified in writing in the case of any Award intended to qualify under section 162(m) of the Code. The Committee may not delegate any responsibility relating to such Performance Awards.

(d) Status of Section 8(b) Awards under Section 162(m) of the Code. It is the intent of the Company that Performance Awards under Section 8(b) granted to Persons who are designated by the Committee as likely to be Covered Employees within the meaning of section

162(m) of the Code shall, if so designated by the Committee, constitute qualified “performance-based compensation” within the meaning of section 162(m) of the Code. Accordingly, the terms of Sections 8(b), (c) and (d), including the definitions of Covered Employee and other terms used therein, shall be interpreted in a manner consistent with section 162(m) of the Code. The foregoing notwithstanding, because the Committee cannot determine with certainty whether a given Eligible Person will be a Covered Employee with respect to a fiscal year that has not yet been completed, the term Covered Employee as used herein shall mean only a Person designated by the Committee, at the time of grant of a Performance Award, who is likely to be a Covered Employee with respect to that fiscal year. If any provision of the Plan or any agreement relating to such Performance Awards that are designated as intended to comply with section 162(m) of the Code does not comply or is inconsistent with the requirements of section 162(m) of the Code, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements.

9. Subdivision or Consolidation; Recapitalization; Change in Control; Reorganization.

(a) Existence of Plans and Awards. The existence of the Plan and the Awards granted hereunder shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company’s capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities ahead of or affecting Stock or the rights thereof, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding. In no event will any action taken by the Committee pursuant to this Section 9 result in the creation of deferred compensation within the meaning of the Nonqualified Deferred Compensation Plan Rules.

(b) Subdivision or Consolidation of Shares. The terms of an Award and the number of shares of Stock authorized pursuant to Section 4 for issuance under the Plan shall be subject to adjustment from time to time, in accordance with the following provisions:

(i) If at any time, or from time to time, the Company shall subdivide as a whole (by reclassification, by a Stock split, by the issuance of a distribution on Stock payable in Stock, or otherwise) or in the event the Company distributes an extraordinary cash dividend the number of shares of Stock then-outstanding into a greater number of shares of Stock, then, as appropriate, (A) the maximum number of shares of Stock available for the Plan or in connection with Awards as provided in Section 4 shall be increased proportionately, and the kind of shares or other securities available for the Plan shall be appropriately adjusted, (B) the number of shares of Stock (or other kind of shares or securities) that may be acquired under any then-outstanding Award shall be increased proportionately, and (C) the price (including the Exercise Price) for each share of Stock (or other kind of shares or securities) subject to then-outstanding Awards shall be reduced proportionately, without changing the aggregate purchase price or value as to which outstanding Awards remain exercisable or subject to restrictions.

(ii) If at any time, or from time to time, the Company shall consolidate as a whole (by reclassification, by reverse Stock split, or otherwise) the number of shares of Stock then-outstanding into a lesser number of shares of Stock, (A) the maximum number of shares of Stock for the Plan or available in connection with Awards as provided in Section 4 shall be decreased proportionately, and the kind of shares or other securities available for the Plan shall be appropriately adjusted, (B) the number of shares of Stock (or other kind of shares or securities) that may be acquired under any then-outstanding Award shall be decreased proportionately, and (C) the price (including the Exercise Price) for each share of Stock (or other kind of shares or securities) subject to then-outstanding Awards shall be increased proportionately, without changing the aggregate purchase price or value as to which outstanding Awards remain exercisable or subject to restrictions.

(iii) Whenever the number of shares of Stock subject to outstanding Awards and the price for each share of Stock subject to outstanding Awards are required to be adjusted as provided in this Section 9(b), the Committee shall promptly prepare a notice setting forth, in reasonable detail, the event requiring adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the change in price and the number of shares of Stock, other securities, cash, or property purchasable subject to each Award after giving effect to the adjustments. The Committee shall promptly provide each affected Participant with such notice.

(iv) Adjustments under Sections 9(b)(i) and (ii) shall be made by the Committee, and its determination as to what adjustments shall be made and the extent thereof shall be final, binding, and conclusive. No fractional interest shall be issued under the Plan on account of any such adjustments.

(c) Corporate Recapitalization. If the Company recapitalizes, reclassifies its capital stock, or otherwise changes its capital structure (a “recapitalization”) without the occurrence of a Change in Control, the number and class of shares of Stock covered by an Option or an SAR theretofore granted shall be adjusted so that such Option or SAR shall thereafter cover the number and class of shares of stock and securities to which the holder would have been entitled pursuant to the terms of the recapitalization if, immediately prior to the recapitalization, the holder had been the holder of record of the number of shares of Stock then covered by such Option or SAR and the share limitations provided in Section 4 shall be adjusted in a manner consistent with the recapitalization.

(d) Additional Issuances. Except as hereinbefore expressly provided, the issuance by the Company of shares of stock of any class or securities convertible into shares of stock of any class, for cash, property, labor or services, upon direct sale, upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such

shares or other securities, and in any case whether or not for fair value, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Stock subject to Awards theretofore granted or the purchase price per share, if applicable.

(e) Change in Control. Upon a Change in Control the Committee, acting in its sole discretion without the consent or approval of any holder, shall affect one or more of the

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following alternatives, which may vary among individual holders and which may vary among Options or SARs (collectively “Grants”) held by any individual holder: (i) accelerate the time at which Grants then-outstanding may be exercised so that such Grants may be exercised in full for a limited period of time on or before a specified date (before or after such Change in Control) fixed by the Committee, after which specified date all unexercised Grants and all rights of holders thereunder shall terminate, (ii) require the mandatory surrender to the Company by selected holders of some or all of the outstanding Grants held by such holders (irrespective of whether such Grants are then exercisable under the provisions of the Plan) as of a date, before or after such Change in Control, specified by the Committee, in which event the Committee shall thereupon cancel such Grants and pay to each holder an amount of cash per share equal to the excess, if any, of the amount calculated in Section 9(f) (the “Change in Control Price”) of the shares subject to such Grants over the Exercise Price(s) under such Grants for such shares (except that to the extent the Exercise Price under any such Grant is equal to or exceeds the Change in Control Price, in which case no amount shall be payable with respect to such Grant), or (iii) make such adjustments to Grants then-outstanding as the Committee deems appropriate to reflect such Change in Control; *provided, however*, that the Committee may determine in its sole discretion that no adjustment is necessary to Grants then-outstanding; *provided, further, however*, that the right to make such adjustments shall include, but not require or be limited to, the modification of Grants such that the holder of the Grant shall be entitled to purchase or receive (in lieu of the total number of shares of Stock as to which an Option or SAR is exercisable (the “Total Shares”) or other consideration that the holder would otherwise be entitled to purchase or receive under the Grant (the “Total Consideration”), the number of shares of stock, other securities, cash or property to which the Total Consideration would have been entitled to in connection with the Change in Control (A) (in the case of Options), at an aggregate Exercise Price equal to the Exercise Price that would have been payable if the Total Shares had been purchased upon the exercise of the Grant immediately before the consummation of the Change in Control and (B) in the case of SARs, if the SARs had been exercised immediately before the occurrence of the Change in Control. Notwithstanding the foregoing, with respect to a Change in Control that constitutes an “equity restructuring” that would be subject to a compensation expense pursuant to Accounting Standards Codification Topic 718, *Compensation — Stock Compensation*, or any successor accounting standard, the provisions in Section 9(b) above shall control to the extent they are in conflict with the discretionary provisions of this Section 9(e); *provided, however*, that nothing in this Section 9(e) or in Section 9(b) above shall be construed as providing any Participant or any beneficiary of an Award any rights with respect to the “time value,” “economic opportunity” or “intrinsic value” of an Award or limiting in any manner the Committee’s actions that may be taken with respect to an Award as set forth in this Section 9(e) or in Section 9(b) above.

(f) Change in Control Price. The “Change in Control Price” shall equal the amount determined in the following clause (i), (ii), (iii), (iv) or (v), whichever is applicable, as follows: (i) the price per share offered to holders of Stock in any merger or consolidation, (ii) the per share Fair Market Value of the Stock immediately before the Change in Control without regard to assets sold in the Change in Control and assuming the Company has received the consideration paid for the assets in the case of a sale of the assets, (iii) the amount distributed per share of Stock in a dissolution transaction, (iv) the price per share offered to holders of Stock in any tender offer or exchange offer whereby a Change in Control takes place, or (v) if such Change in Control

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occurs other than pursuant to a transaction described in clauses (i), (ii), (iii), or (iv) of this Section 9(f), the Fair Market Value per share of the Stock that may otherwise be obtained with respect to such Grants or to which such Grants track, as determined by the Committee as of the date determined by the Committee to be the date of cancellation and surrender of such Grants. In the event that the consideration offered to stockholders of the Company in any transaction described in this Section 9(f) or in Section 9(e) consists of anything other than cash, the Committee shall determine the fair cash equivalent of the portion of the consideration offered which is other than cash and such determination shall be binding on all affected Participants to the extent applicable to Awards held by such Participants.

(g) Impact of Corporate Events on Awards Generally. In the event of a Change in Control or changes in the outstanding Stock by reason of a recapitalization, reorganization, merger, consolidation, combination, exchange or other relevant change in capitalization occurring after the date of the grant of any Award and not otherwise provided for by this Section 9, any outstanding Awards and any Award Agreements evidencing such Awards shall be subject to adjustment by the Committee at its discretion, which adjustment may, in the Committee’s discretion, be described in the Award Agreement and may include, but not be limited to, adjustments as to the number and price of shares of Stock or other consideration subject to such Awards, accelerated vesting (in full or in part) of such Awards, conversion of such Awards into awards denominated in the securities or other interests of any successor Person, or the cash settlement of such Awards in exchange for the cancellation thereof. In the event of any such change in the outstanding Stock, the aggregate number of shares of Stock available under the Plan may be appropriately adjusted by the Committee, whose determination shall be conclusive.

10. General Provisions.

(a) Transferability.

(i) Permitted Transferees. The Committee may, in its discretion, permit a Participant to transfer all or any portion of an Option or SAR, or authorize all or a portion of an Option or SAR to be granted to an Eligible Person to be on terms which permit transfer by such Participant; *provided that*, in either case, the transferee or transferees must be any child, stepchild,

grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, in each case with respect to the Participant, an individual sharing the Participant's household (other than a tenant or Employee of the Company), a trust in which any of the foregoing individuals have more than fifty percent of the beneficial interest, a foundation in which any of the foregoing individuals (or the Participant) control the management of assets, and any other entity in which any of the foregoing individuals (or the Participant) own more than fifty percent of the voting interests (collectively, "Permitted Transferees"); *provided further* that, (X) there may be no consideration for any such transfer and (Y) subsequent transfers of Options or SARs transferred as provided above shall be prohibited except subsequent transfers back to the original holder of the Option or SAR and transfers to other Permitted Transferees of the original holder. Agreements evidencing Options or SARs with respect to which such transferability is authorized at the time of grant must be

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approved by the Committee, and must expressly provide for transferability in a manner consistent with this Section 10(a)(i).

(ii) Qualified Domestic Relations Orders. An Award that is an Option, Stock Appreciation Right, Restricted Stock Unit, Restricted Stock or other Award may be transferred, to a Permitted Transferee, pursuant to a domestic relations order entered or approved by a court of competent jurisdiction upon delivery to the Company of written notice of such transfer and a certified copy of such order.

(iii) Other Transfers. Except as expressly permitted by Sections 10(a)(i) and 10(a)(ii), Awards (other than ISOs) shall not be transferable other than by will or the laws of descent and distribution.

(iv) Effect of Transfer. Following the transfer of any Award as contemplated by Sections 10(a)(i), 10(a)(ii) and 10(a)(iii), (A) such Award shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that the term "Participant" shall be deemed to refer to the Permitted Transferee, the recipient under a qualified domestic relations order, or the estate or heirs of a deceased Participant or other transferee, as applicable, to the extent appropriate to enable the Participant to exercise the transferred Award in accordance with the terms of the Plan and applicable law and (B) the provisions of the Award relating to exercisability shall continue to be applied with respect to the original Participant and, following the occurrence of any applicable events described therein the Awards shall be exercisable by the Permitted Transferee, the recipient under a qualified domestic relations order, or the estate or heirs of a deceased Participant, as applicable, only to the extent and for the periods that would have been applicable in the absence of the transfer.

(v) Procedures and Restrictions. Any Participant desiring to transfer an Award as permitted under Sections 10(a)(i), 10(a)(ii) or 10(a)(iii) shall make application therefor in the manner and time specified by the Committee and shall comply with such other requirements as the Committee may require to assure compliance with all applicable securities laws. The Committee shall not give permission for such a transfer if (A) it would give rise to short swing liability under section 16(b) of the Exchange Act or (B) it may not be made in compliance with all applicable federal, state and foreign securities laws.

(vi) Registration. To the extent the issuance to any Permitted Transferee of any shares of Stock issuable pursuant to Awards transferred as permitted in this Section 10(a) is not registered pursuant to the effective registration statement of the Company generally covering the shares to be issued pursuant to the Plan to initial holders of Awards, the Company shall not have any obligation to register the issuance of any such shares of Stock to any such transferee.

(b) Taxes. The Company and any of its Subsidiaries are authorized to withhold from any Award granted, or any payment relating to an Award under the Plan, including from a distribution of Stock, amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an Award, and to take such other action as the

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Committee may deem advisable to enable the Company and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of a Participant's tax obligations, either on a mandatory or elective basis in the discretion of the Committee. Notwithstanding the foregoing, the Company and its Affiliates may, in its sole discretion and in satisfaction of the foregoing requirement, withhold or permit the Participant to elect to have the Company withhold a sufficient number of shares of Stock that are otherwise issuable to the Participant pursuant to an Award (or allow the surrender of shares of Stock by the Participant to the Company). The number of shares of Stock that may be so withheld or surrendered shall be limited to the number of shares of Stock that have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the applicable minimum statutory withholding rates for U.S. federal, state, local or non-U.S. income and social insurance taxes and payroll taxes, as determined by the Committee.

(c) Changes to the Plan and Awards. The Board may amend, alter, suspend, discontinue or terminate the Plan or the Committee's authority to grant Awards under the Plan without the consent of stockholders or Participants, except that any amendment or alteration to the Plan, including any increase in any share limitation or any amendment to Section 3(d), shall be subject to the approval of the Company's stockholders not later than the annual meeting next following such Board action if such stockholder approval is required by any federal or state law or regulation or the rules of any stock exchange or automated quotation system on which the Stock may then be listed or quoted, and the Board may otherwise, in its discretion, determine to submit other such changes to the Plan to stockholders for approval; *provided, that*, without the consent of an affected Participant, no such Board action may materially and

adversely affect the rights of such Participant under any previously granted and outstanding Award. The Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate any Award theretofore granted and any Award Agreement relating thereto, except as otherwise provided in the Plan; *provided, however*, that, without the consent of an affected Participant, no such Committee action may materially and adversely affect the rights of such Participant under such Award. For purposes of clarity, any adjustments made to Awards pursuant to Section 9 will be deemed *not* to materially and adversely affect the rights of any Participant under any previously granted and outstanding Award and therefore may be made without the consent of affected Participants.

(d) Limitation on Rights Conferred under Plan. Neither the Plan nor any action taken hereunder shall be construed as (i) giving any Eligible Person or Participant the right to continue as an Eligible Person or Participant or in the employ or service of the Company or any of its Subsidiaries, (ii) interfering in any way with the right of the Company or any of its Subsidiaries to terminate any Eligible Person's or Participant's employment or service relationship at any time, (iii) giving an Eligible Person or Participant any claim to be granted any Award under the Plan or to be treated uniformly with other Eligible Persons or Participants, or (iv) conferring on a Participant any of the rights of a stockholder of the Company unless and until the Participant is duly issued or transferred shares of Stock in accordance with the terms of an Award.

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(e) Unfunded Status of Awards. The Plan is intended to constitute an "unfunded" plan for certain incentive awards.

(f) Nonexclusivity of the Plan. Neither the adoption of the Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements as it may deem desirable, including incentive arrangements and awards which do not qualify under section 162(m) of the Code. Nothing contained in the Plan shall be construed to prevent the Company or any of its Subsidiaries from taking any corporate action which is deemed by the Company or such Subsidiary to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Award made under the Plan. No Employee, beneficiary or other Person shall have any claim against the Company or any of its Subsidiaries as a result of any such action.

(g) Fractional Shares. No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(h) Severability. If any provision of the Plan is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions hereof, but such provision shall be fully severable and the Plan shall be construed and enforced as if the illegal or invalid provision had never been included herein. If any of the terms or provisions of the Plan or any Award Agreement conflict with the requirements of Rule 16b-3 (as those terms or provisions are applied to Eligible Persons who are subject to section 16(b) of the Exchange Act) or section 422 of the Code (with respect to Incentive Stock Options), then those conflicting terms or provisions shall be deemed inoperative to the extent they so conflict with the requirements of Rule 16b-3 (unless the Board or the Committee, as appropriate, has expressly determined that the Plan or such Award should not comply with Rule 16b-3) or section 422 of the Code. With respect to Incentive Stock Options, if the Plan does not contain any provision required to be included herein under section 422 of the Code, that provision shall be deemed to be incorporated herein with the same force and effect as if that provision had been set out at length herein; *provided, further, that*, to the extent any Option that is intended to qualify as an Incentive Stock Option cannot so qualify, that Option (to that extent) shall be deemed an Option not subject to section 422 of the Code for all purposes of the Plan.

(i) Governing Law. All questions arising with respect to the provisions of the Plan and Awards shall be determined by application of the laws of the State of Delaware, without giving effect to any conflict of law provisions thereof, except to the extent Delaware law is preempted by federal law. The obligation of the Company to sell and deliver Stock hereunder is subject to applicable federal and state laws and to the approval of any governmental authority required in connection with the authorization, issuance, sale, or delivery of such Stock.

(j) Conditions to Delivery of Stock. Nothing herein or in any Award granted hereunder or any Award Agreement shall require the Company to issue any shares with respect to any Award if that issuance would, in the opinion of counsel for the Company, constitute a violation

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of the Securities Act or any similar or superseding statute or statutes, any other applicable statute or regulation, or the rules of any applicable securities exchange or securities association, as then in effect. At the time of any exercise of an Option or Stock Appreciation Right, or at the time of any grant of Restricted Stock, a Restricted Stock Unit, or other Award the Company may, as a condition precedent to the exercise of such Option or Stock Appreciation Right or settlement of any Restricted Stock Unit or other Award, require from the Participant (or in the event of his or her death, his or her legal representatives, heirs, legatees, or distributees) such written representations, if any, concerning the holder's intentions with regard to the retention or disposition of the shares of Stock being acquired pursuant to the Award and such written covenants and agreements, if any, as to the manner of disposal of such shares as, in the opinion of counsel to the Company, may be necessary to ensure that any disposition by that holder (or in the event of the holder's death, his or her legal representatives, heirs, legatees, or distributees) will not involve a violation of the Securities Act or any similar or superseding statute or statutes, any other applicable state or federal statute or regulation, or any rule of any applicable securities exchange or securities association, as then in effect. No Option or Stock Appreciation Right shall be exercisable and no settlement of any Restricted Stock Unit shall occur with respect to a Participant unless and until the holder thereof shall have paid cash or property to, or performed services for,

the Company or any of its Subsidiaries that the Committee believes is equal to or greater in value than the par value of the Stock subject to such Award.

(k) Clawback. The Committee shall have the right to provide, in an Award Agreement or otherwise, or to require a Participant to agree by separate written or electronic instrument, that all Awards (including any proceeds, gains or other economic benefit actually or constructively received by the Participant upon any receipt or exercise of any Award or upon the receipt or resale of any shares of Stock underlying the Award) shall be subject to the provisions of any clawback policy implemented by the Company, including, without limitation, any clawback policy adopted to comply with the requirements of applicable law, including without limitation the Dodd Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such clawback policy and/or in the applicable Award Agreement.

(l) Section 409A of the Code. In the event that any Award granted pursuant to the Plan provides for a deferral of compensation within the meaning of the Nonqualified Deferred Compensation Rules, it is the general intention, but not the obligation, of the Company to design such Award to comply with the Nonqualified Deferred Compensation Rules and such Award should be interpreted accordingly. Notwithstanding anything in this Plan to the contrary, to the extent that the Committee determines that any Award under the Plan may be subject to the Nonqualified Deferred Compensation Rules, the Committee may, without a Participant's consent, adopt such amendments to the Plan and the applicable Award Agreement or take any other actions (including amendments and actions with retroactive effect), that the Committee, in its sole discretion, determines are necessary or appropriate to preserve the intended tax treatment of the Award, including, without limitation, actions intended to (i) exempt such Award from the Nonqualified Deferred Compensation Rules, or (ii) comply with the requirements of the Nonqualified Deferred Compensation Rules; *provided, however*, that nothing in this Section 10(l) shall create any obligation on the part of the Company or any of its Affiliates to adopt any such

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amendment or take any other such action or any liability for any failure to do so. Notwithstanding anything herein to the contrary, in no event shall the Company or any of its Affiliates have any obligation to indemnify or otherwise compensate any Participant for any taxes or interest imposed under the Nonqualified Deferred Compensation Rules or similar provisions of state law.

(m) Plan Effective Date and Term. The Plan was adopted by the Board on the Effective Date, and approved by the stockholders of the Company on _____, 2013 to be effective on the Effective Date. No Awards may be granted under the Plan on and after _____, 2023.

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**FORM OF AGREEMENT AND PLAN OF MERGER OF
ANTERO RESOURCES LLC
WITH AND INTO
ANTERO RESOURCES CORPORATION**

This Agreement and Plan of Merger (this “*Agreement*”) is entered into on [·], 2013, by and among Antero Resources LLC, a Delaware limited liability company (“*Antero LLC*”), Antero Resources Corporation, a Delaware corporation (“*Antero Corporation*,” and together with Antero LLC, the “*Merging Entities*”), and Antero Resources Investment LLC, a Delaware limited liability company (“*Antero Investment*”).

WHEREAS, each of the Merging Entities is duly organized and existing under the laws of the State of Delaware; and

WHEREAS, each of Antero Investment, which is the sole member of Antero LLC, the board of directors of Antero LLC and the board of directors of Antero Corporation has approved the merger of Antero LLC with and into Antero Corporation as set forth below (the “*Merger*”), in accordance with the Delaware Limited Liability Company Act (the “*DLLCA*”) and the Delaware General Corporation Law (the “*DGCL*”) and upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Upon the terms and subject to the satisfaction or waiver of the conditions hereof, and in accordance with Section 18-209 of the DLLCA and Section 264 of the DGCL, Antero LLC shall be merged with and into Antero Corporation at the Effective Time (as hereinafter defined). Following the Merger, the separate existence of Antero LLC shall cease, and Antero Corporation shall continue as the surviving corporation (the “*Surviving Entity*”) and shall continue to be governed by the applicable laws of the State of Delaware.

2. Subject to the provisions of this Agreement, the parties shall duly prepare, execute and file a certificate of merger (the “*Certificate of Merger*”) with the Secretary of State of the State of Delaware with respect to the Merger and make all other filings or recordings as may be required by law to make the Merger effective. The Merger shall be subject to the completion of the initial public offering of common stock of Antero Corporation and shall become effective as set forth in the Certificate of Merger (the “*Effective Time*”).

3. The Merger shall have the effects set forth in the DLLCA and the DGCL. Without limiting the generality of the foregoing, and subject thereto, from the Effective Time, all the properties, rights, privileges, immunities, powers and franchises of Antero LLC shall vest in Antero Corporation, as the Surviving Entity, and all debts, liabilities and duties of Antero LLC shall become the debts, liabilities and duties of Antero Corporation, as the Surviving Entity.

4. The Amended and Restated Bylaws of Antero Corporation, as in effect immediately prior to the Effective Time, shall be the bylaws of the Surviving Entity until thereafter amended as provided therein and in accordance with the DGCL, and the Amended and Restated Certificate of Incorporation of Antero Corporation, as in effect immediately prior to the Effective Time, shall be the certificate of incorporation of the Surviving Entity until thereafter amended as provided therein and in accordance with the DGCL.

5. At the Effective Time, by virtue of the Merger and without any action on the part of the holders thereof:

- a. All of the membership interests in Antero LLC issued and outstanding immediately prior to the Effective Time shall be converted into [·] shares of common stock of Antero Corporation, which shall represent all of the issued and outstanding equity capitalization of Antero Corporation.
- b. The membership interests in Antero LLC held by Antero Investment shall cease to exist with no payment being made with respect thereto.
- c. The shares of common stock of Antero Corporation, as the Surviving Entity, shall, continue to remain outstanding.

6. Until the Effective Time, Antero LLC grants to Antero Investment an irrevocable proxy and power of Attorney (the “*Proxy*”) over the shares of common stock of Antero Corporation owned by Antero LLC. As a result of the grant of the Proxy, Antero Investment shall have the sole right and authority to vote, dispose of and take any other actions and do all things with respect to such shares of common stock as if Antero Investment were the record holder thereof. The parties hereto intend that Antero Investment will be the “beneficial owner” (as that term is defined in Rule 13d-3 under the Securities Exchange Act of 1934) of such shares of common stock of Antero Corporation from and after the date of this Agreement.

7. This Agreement, together with the Certificate of Merger, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, representations and warranties and agreements, both written and oral, with respect to such subject matter.

8. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

9. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

10. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, each of the parties to this Agreement has caused this Agreement to be executed as of the date first written above.

ANTERO RESOURCES LLC

By: _____
Name: Alvyn A. Schopp
Title: Authorized Person

ANTERO RESOURCES CORPORATION

By: _____
Name: Alvyn A. Schopp
Title: Authorized Person

ANTERO RESOURCES INVESTMENT LLC

By: _____
Name: Alvyn A. Schopp
Title: Authorized Person

SIGNATURE PAGE TO
AGREEMENT AND PLAN OF MERGER

FORM OF CONTRIBUTION AGREEMENT

by and between

ANTERO RESOURCES CORPORATION

and

ANTERO RESOURCES MIDSTREAM LLC

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Exhibit B-1	Excluded Assets
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Exhibit E	Form of Water Services Agreement
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Exhibit G	Required Consents
Exhibit H	Excluded Wells

CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (this “Agreement”) is dated the [] day of [], 2013, by and between Antero Resources Corporation, a Delaware corporation (“Contributor”), and Antero Resources Midstream LLC, a Delaware limited liability company (“Antero Midstream”). Contributor and Antero Midstream are sometimes hereinafter referred to individually as a “Party” and collectively as the “Parties.”

WHEREAS, Contributor owns 100% of the membership interests in Antero Midstream (other than a special membership interest, which is owned by Antero Resources Midstream Management LLC);

WHEREAS, Contributor intends to contribute to Antero Midstream, or to cause the transfer to Antero Midstream of, all of the Assets (as defined below), and Antero Midstream intends to accept all of the Assets and to assume certain Liabilities (as defined below) as further described herein, in each case in accordance with this Agreement;

NOW, THEREFORE, based on the mutual covenants and agreements herein, the Parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 *Definitions.* In this Agreement, capitalized terms have the meanings provided in this Section 1.1. All references to Sections refer to Sections in this Agreement and all references to Exhibits refer to Exhibits attached to this Agreement, each of which is made a part hereof.

“Affiliate” means, with respect to any Person, another Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, such first Person. The term “control” and its derivatives with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other voting interests, by contract or otherwise. Notwithstanding the foregoing, Antero Midstream and Contributor shall not be deemed to be Affiliates of each other.

“Agreement” has the meaning set forth in the introductory paragraph.

“Antero Midstream” has the meaning set forth in the introductory paragraph.

“Assets” means all assets in respect of the midstream business of Contributor on the Closing Date, including the following:

- (a) all systems held by Contributor or an Affiliate of Contributor on the Closing Date for the gathering or transportation of Hydrocarbons, including the systems described on Exhibit A (the foregoing, collectively, the “Systems”);
 - (b) all assets and systems held by Contributor or an Affiliate of Contributor on the Closing Date for the gathering or transportation of water, carbon dioxide or other non-Hydrocarbons, or the treatment, transportation, handling or disposal of waste water or other fluid waste, including the systems described on Exhibit A (the foregoing, collectively, the “Non-Hydrocarbon Systems”);
-
- (c) all easements, surface use agreements, servitudes, third party permits, licenses, surface leases, sub-surface leases, rights-of-way, grazing rights, logging rights and other similar interests relating to surface operations or for use or occupancy of the surface or the subsurface applicable to the Systems, the Non-Hydrocarbon Systems or the Compressor Stations, including the instruments and agreements described on Exhibit A (the foregoing, collectively, the “Easements”), to the extent reasonably determined by Antero Midstream to be assignable;
 - (d) all fee and leasehold interests in real property that relate primarily to the ownership or operation of the assets described in the other clauses of this definition, including the fee and leasehold interests described on Exhibit A (the Easements and the interests described in this clause (d), collectively, the “Lands”, and the leases under which the leasehold interests described in this clause (d) are, collectively, the “Leases”);
 - (e) all compressor stations used on the Systems, including the compressor stations described on Exhibit A (the foregoing, collectively, the “Compressor Stations”);
 - (f) all of the Personal Property, including the facilities and equipment described on Exhibit A (the foregoing, collectively, the “Equipment”);
 - (g) all Related Contracts, to the extent reasonably determined by Antero Midstream to be assignable;
 - (h) all Hydrocarbons comprising line pack or line fill in any part of the Systems at the Effective Time;
 - (i) all Permits issued to or held by Contributor or any of its Affiliates in connection with Contributor’s or its Affiliates’ ownership or operation of the other assets described in this definition, including those Permits described on Exhibit A (the foregoing, collectively, the “Midstream Permits”), to the extent reasonably determined by Antero Midstream to be assignable;
 - (j) all of Contributor’s and its Affiliates rights, claims and causes of action (including warranty and similar claims that may be made against a third party vendor under a master service agreement or any other Related Contract) to the extent, and only to the extent, that such rights, claims or causes of action (i) are associated with the Assets and relate to the period of time from and after the Effective Time or (ii) relate to the liabilities assumed by Antero Midstream pursuant to this Agreement (in each case excluding any such rights, claims and causes of action that arise from or are related to the ownership by Contributor or its Affiliates of, or the rights of Contributor or its Affiliates in respect of, the Excluded Assets) (the foregoing, collectively, the “Claims”), to the extent reasonably determined by Antero Midstream to be assignable;
 - (k) all prepaid expenses (other than Taxes) attributable to the Assets that are paid by or on behalf of Contributor or its Affiliates and are attributable to the periods of time on and after the Effective Time, including prepaid utility charges;
 - (l) the Conveyed IP; and

- (m) all of Contributor's and its Affiliates' files, records and data directly and primarily relating to the items described in the preceding clauses above, including title records (including title opinions and curative documents), surveys, maps and drawings and correspondence except (i) to the extent the transfer, delivery or copying of such records may be restricted by contract with a third party or subject to a fee; (ii) all documents and instruments of Contributor that may be protected by the attorney-client privilege; and (iii) all accounting and Tax files, books, records, Tax Returns and Tax work papers related to such items (the foregoing, collectively, the "Records").

Notwithstanding the foregoing, "Assets" shall not include the Excluded Assets.

"Asset Taxes" shall mean sales, use, ad valorem, property, excise or similar Taxes based upon the operation or ownership of the Assets but excluding, for the avoidance of doubt, (a) Income Taxes and (b) Transfer Taxes.

"Assignment Documents" has the meaning set forth in Section 2.3(a)(i).

"Bonds" has the meaning set forth in the definition of Excluded Assets.

"Business Day" means any day except Saturday, Sunday or any day on which banks in the United States are required to be or are customarily closed.

"Carved-Out Asset" has the meaning set forth in Section 5.4(b).

"Claims" has the meaning set forth in the definition of Assets.

"Closing" means the consummation of the transactions contemplated by this Agreement.

"Closing Date" means the date on which Closing occurs.

"Code" means the Internal Revenue Code of 1986, as amended.

"Compressor Stations" has the meaning set forth in the definition of Assets.

"Contributor" has the meaning set forth in the introductory paragraph.

"Conveyed IP" means (a) all intellectual property rights relating to the operation of the Non-Hydrocarbon Systems and (b) the intellectual property rights described in Exhibit A.

"Customary Post-Closing Consents" means (a) consents, notices, approvals, waivers, authorizations and filings from or to (as applicable) Governmental Authorities that are customarily obtained or made (as applicable) after closing in connection with transactions similar to the transactions contemplated by this Agreement and (b) any consents, approvals, waivers and authorizations of Governmental Authorities or other third parties that cannot be unreasonably withheld by the relevant Person.

"Easements" has the meaning set forth in the definition of Assets.

"Effective Time" means 00:01 a.m. (Central Time) on the first day of the calendar month in which Closing occurs.

"Environmental Laws" means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1471 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 through 2629; the Oil Pollution Act, 33 U.S.C. § 2701 et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f through 300j; and all similar Laws of any Governmental Authority having jurisdiction over the Assets in question addressing pollution or protection of human health, safety, natural resources or the environment, Releases or threatened Releases of, or exposure to, Hazardous Materials, or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, handling, transport or disposal of Hazardous Materials and all amendments to such Laws.

"Equipment" has the meaning set forth in the definition of Assets.

"Excluded Assets" means all right, title and interest of Contributor and its Affiliates in and to any assets, properties, agreements and interests not included in the definition of Assets, including, without limitation:

- (a) the Upstream Assets;
- (b) all systems primarily used or intended for the gathering or transportation of Hydrocarbons produced from the Excluded Wells;

- (c) all of Contributor's (and its Affiliates') corporate minute books, financial records and other business records to the extent such books and records are related to Contributor's (or any of its Affiliates') business generally or are otherwise not directly related to the Assets;
- (d) all claims for refunds, credits, loss carryforwards and similar Tax assets with respect to (i) Asset Taxes allocated to Contributor pursuant to Section 6.1(b), (ii) Income Taxes of Contributor or any of its Affiliates or (iii) any Taxes attributable to any of the assets or properties described in this definition;
- (e) all personal computers and associated peripherals and all radio and telephone equipment (and licenses related thereto);
- (f) all of Contributor's (and its Affiliates') computer software, patents, trade secrets, copyrights, names, trademarks, logos and other intellectual property (except the Conveyed IP), and all interests of the Contributor in and to the License Agreement;
- (g) all documents and instruments of Contributor (or any of its Affiliates) that may be protected by an attorney-client privilege (other than title opinions and reports on status of title, in each case, with respect to title to any of the Assets);
- (h) all offices of Contributor and all personal property located therein;
- (i) all of the bonds, letters of credit, guarantees, deposits and other pre-payments posted by Contributor or any of its Affiliates with any Governmental Authorities or any other third parties ("Bonds");

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- (j) all trade credits, receivables and all other proceeds, income or revenues attributable to the Assets with respect to any period of time prior to the Effective Time, or attributable to any of the assets and properties described in this definition with respect to any period of time;
- (k) all accounts (including bank accounts) and all cash on hand;
- (l) any policy or agreement of insurance or indemnity agreement and any proceeds or awards therefrom;
- (m) all assets of Antero Resources Midstream Management LLC and all assets of any Person that directly or indirectly holds any interest in Antero Resources Midstream Management LLC; and
- (n) all assets described on Exhibit B.

"Excluded Wells" means the wells specified on Exhibit H.

"Gathering Agreement" means a natural gas gathering agreement to be entered into by Contributor and Antero Midstream at Closing in substantially the form set forth in Exhibit C.

"Governmental Authority" means any federal, state, local, municipal or other governments; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal.

"Hazardous Materials" means any substance that, by its nature or its use, is regulated or as to which liability might arise under any Environmental Law including any: (a) chemical, product, material, substance or waste defined as or included in the definition of "hazardous substance," "hazardous material," "hazardous waste," "restricted hazardous waste," "extremely hazardous waste," "solid waste," "toxic waste," "extremely hazardous substance," "toxic substance," "toxic pollutant," "contaminant," "pollutant," or words of similar meaning or import found in any Environmental Law; (b) Hydrocarbons, petroleum products, petroleum substances, natural gas, condensate, crude oil or any components, fractions, or derivatives thereof or oil and gas exploration and production waste; and (c) asbestos containing materials, polychlorinated biphenyls, radioactive materials, urea formaldehyde foam insulation, or radon gas.

"Hydrocarbons" means oil and gas and other hydrocarbons produced in association therewith (whether in liquid or gaseous form), or any combination thereof, and any minerals produced in association therewith.

"Income Taxes" means any federal, state, local or foreign Taxes measured by or imposed on net income, gross revenue or receipts, including franchise or similar Taxes.

"Lands" has the meaning set forth in the definition of Assets.

"Laws" means any and all applicable laws, statutes, ordinances, Permits, decrees, writs, injunctions, orders, codes, judgments, principles of common law, rules or regulations that are promulgated, issued or enacted by a Governmental Authority having jurisdiction, and includes Environmental Laws.

"Leases" has the meaning set forth in the definition of Assets.

“Liabilities” shall mean any and all claims, causes of action, payments, charges, judgments, assessments, liabilities, obligations, losses, damages, penalties, fines and other costs and expenses (including reasonable attorneys’ fees and other legal costs and expenses), including any of the foregoing arising out of or otherwise attributable to personal injury or death, property damage, environmental damage or remediation, or violation of Environmental Law.

“License Agreement” means a license agreement in respect of certain intellectual property rights of Contributor, to be entered into by Contributor and Antero Midstream at Closing in substantially the form set forth in Exhibit F.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest, defect, restriction or other encumbrance in respect of such asset.

“Material Adverse Effect” means any change, inaccuracy, effect, event, result, occurrence, condition or fact (for the purposes of this definition, each, an “event”) (whether foreseeable or not and whether covered by insurance or not) that has had or would be reasonably likely to have, individually or in the aggregate with any other event or events, a material adverse effect on the Assets; *provided, however*, that a Material Adverse Effect shall not include such material adverse effects resulting from (a) general changes in Hydrocarbon prices; (b) general changes in industry, economic, financial or political conditions or markets; (c) changes in conditions or developments generally applicable to the oil and gas industry, in any area or areas where the Assets are located; (d) acts of God, including hurricanes, storms and other natural disasters; (e) acts or failures to act of Governmental Authorities; or (f) civil unrest or similar disorder, terrorist acts, any outbreak of hostilities of war.

“Midstream Permits” has the meaning set forth in the definition of Assets.

“Non-Hydrocarbon Systems” has the meaning set forth in the definition of Assets.

“Operating Expenses” means all operating expenses (including costs of insurance but excluding Asset Taxes) and capital expenditures incurred in the ownership and operation of the Assets.

“Party” and “Parties” have the meanings set forth in the introductory paragraph.

“Permit” means any permit, license, certificate, consent, approval, waiver, exemption, variance, authorization, registration and any similar item required under any Law or issued by any Governmental Authority.

“Permitted Liens” means, with respect to any Asset:

- (a) any Governmental Authority or other third party consent, notice, approval, waiver, authorization or filing required in respect of such Asset in connection with the consummation of the transactions contemplated hereby, including the Required Consents in respect of any Carved-Out Asset and the Customary Post-Closing Consents;
- (b) the dedications and any other Liens under the Gathering Agreement, the Processing Agreement, the Water Services Agreement and the Shared Use Agreements;
- (c) rights reserved to or vested in a Governmental Authority having jurisdiction to control or regulate such Asset in any manner whatsoever and all Laws of such Governmental Authorities;

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- (d) Liens for Taxes, assessments and similar charges that are (i) not yet due or (ii) being contested in good faith by appropriate proceedings;
 - (e) mechanic’s, materialman’s, carrier’s, repairer’s and other similar Liens arising or incurred in the ordinary course of business that are not yet due and payable;
 - (f) Easements, Leases and Permits affecting such Asset, and ponds, lakes, waterways, canals, ditches, reservoirs, equipment, pipelines, utility lines, railways, streets, roads and structures on, over or through such Asset, in each case, to the extent the same do not materially affect or impair the ownership, operation or use of such Asset (either as owned, operated or used immediately before Closing, or as contemplated to be built out and owned, operated and used by Antero Midstream following Closing);
 - (g) any undetermined or inchoate liens or charges constituting or securing the payment of expenses that were incurred incidental to operation or use of such Asset;
 - (h) the terms and conditions of the instruments creating the Assets, if applicable; and
 - (i) Liens created by any third party owner of the Lands.

“Person” means an individual, partnership, corporation, limited liability company, trust, Governmental Authority or other entity.

“Personal Property” means the equipment, structures, fixtures, improvements, equipment, storage tanks, pipelines, manifolds, casing, tubing, pumps, motors, machinery, compression equipment, flow lines, processing and separation facilities and other items of every kind and nature located at or on the Compressor Stations or the Lands or primarily used or held for use in connection with the Assets at Closing.

“Processing Agreement” means a natural gas processing agreement to be entered into by Contributor and Antero Midstream at Closing in substantially the form set forth in Exhibit D.

“Records” has the meaning set forth in the definition of Assets.

“Related Contracts” shall mean those gathering, transportation and marketing agreements, hydrocarbon storage agreements, operating agreements, balancing agreements, facilities or equipment leases, interconnection agreements, service and parts agreements and all other contracts to which Contributor or an Affiliate of Contributor is a party, that relate primarily to the ownership or operation of the Assets and that will be binding on Antero Midstream or any of the Assets after the Closing Date, including the contracts set forth on Exhibit A, but excluding any contract that is an Excluded Asset.

“Release” means any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, dumping, or disposing.

“Required Consents” means (a) the consents, notices, approvals, waivers, authorizations and filings set forth on Exhibit G and (b) any Governmental Authority or other third party consent, notice, approval, waiver, authorization or filing that is identified by Antero Midstream before Closing as material to the consummation of the transactions contemplated hereby.

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“Retained Liabilities” means (a) any and all Income Taxes imposed on Contributor or any of its Affiliates; the Asset Taxes allocable to Contributor pursuant to Section 6.1(b); any Taxes imposed on or with respect to the Excluded Assets; and any and all other Taxes imposed on or with respect to the Assets for any taxable period (or portion thereof) ending before the Effective Time; and (b) the Liabilities described on Exhibit B-2.

“Shared Use Agreements” has the meaning set forth in Section 2.3(a)(v).

“Straddle Period” means any Tax period beginning before and ending on or after the Effective Time.

“Systems” has the meaning set forth in the definition of Assets.

“Tax” and “Taxes” means (a) all taxes, assessments, fees, unclaimed property and escheat obligations, and other charges of any kind whatsoever imposed by any Governmental Authority, including any federal, state, local and/or foreign income tax, surtax, remittance tax, presumptive tax, net worth tax, special contribution tax, production tax, value added tax, withholding tax, gross receipts tax, windfall profits tax, profits tax, ad valorem tax, personal property tax, real property tax, sales tax, goods and services tax, service tax, transfer tax, use tax, excise tax, premium tax, stamp tax, motor vehicle tax, entertainment tax, insurance tax, capital stock tax, franchise tax, occupation tax, payroll tax, employment tax, unemployment tax, disability tax, alternative or add-on minimum tax and estimated tax, (b) any interest, fine, penalty or additions to tax imposed by a Governmental Authority in connection with any item described in clause (a), and (c) any liability in respect of any item described in clauses (a) or (b) above, that arises by reason of a contract, assumption, transferee or successor liability, operation of Law (including by reason of participation in a consolidated, combined or unitary Tax Return) or otherwise.

“Tax Return” means any report, return, information statement, election, document, estimated tax filing, declaration or other filing provided to any Governmental Authority in respect of Taxes including any attachments thereto and amendments thereof.

“Transfer Taxes” has the meaning set forth in Section 6.1(a).

“Upstream Assets” means all assets held by Contributor or an Affiliate of Contributor in respect of the upstream business of Contributor and its Affiliates, including all interests of Contributor or its Affiliates:

- (a) in and to any oil and gas wells and leases, including all mineral interests, royalty interests, overriding royalty interests, production payments, other payments out of or measured by the value of oil and gas production, net profits interests, carried interests, farmout or farmin rights, options, subleases, and all other rights and interests that Contributor or its Affiliates have in and to any oil and gas leases, any lands pooled or unitized therewith and any oil and gas wells;
- (b) in and to (i) any Hydrocarbons, carbon dioxide or water or other non-Hydrocarbons in and under, or which may be produced and saved from or attributable to, the leases or lands referred to in clause (a), or any interests pooled or unitized therewith; and (ii) any water the subject of any water rights agreement between Contributor and any third party;
- (c) other than any line fill and line pack that is expressly included in the Assets, all Hydrocarbons in storage or existing in stock tanks, pipelines and/or plants (including inventory) on the Systems and all carbon dioxide,

non-Hydrocarbons in storage or existing in stock tanks, pipelines and/or plants (including inventory) on the Non-Hydrocarbon Systems;

- (d) with respect to the use and occupancy of the surface of and the subsurface depths under the lands and leases referred to in clause (a), and rights of ingress and egress and similar rights and interests pertaining to, situated on or used in connection with such lands and leases, except, in the case of surface and access rights, to the extent such surface rights comprise a part of the Lands;
- (e) in and to any oil, gas or mineral unitization, pooling, operating and communitization agreements, joint venture agreements, farmin and farmout agreements, exploration agreements, exchange agreements, declarations, orders, rules, regulations or other official acts of any Governmental Authority and the units created thereby, including all units voluntarily formed or formed under orders, regulations, rules or other official acts of any Governmental Authority having jurisdiction;
- (f) in and to all surface and subsurface personal property, equipment, machinery, fixtures, movable and immovable property and improvements on or appurtenant to the leases, lands or wells described in clause (a), or used or obtained in connection with the exploration, development or operation of such leases, lands or wells, including any trucks and cars, drilling/workover rigs and rolling stock and all equipment, pipe and inventory that is not currently being used or currently designated for use in connection with the ownership or operation of the Assets (whether located on or off the Assets); and
- (g) in and to (i) the Gathering Agreement, the Processing Agreement, the Water Services Agreement and the Shared Use Agreements, and (ii) all agreements with third parties for midstream services, including the agreements set forth on Exhibit B-3.

“Water Services Agreement” means a water services agreement to be entered into by Contributor and Antero Midstream at Closing in substantially the form set forth in Exhibit E.

ARTICLE II CONTRIBUTION

Section 2.1 *Contribution.* Subject to the terms and conditions of this Agreement, Contributor shall contribute, or cause the transfer of, and Antero Midstream shall accept, all of Contributor’s and its Affiliates’ right, title and interest in and to the Assets, free and clear of all Liens other than Permitted Liens. Notwithstanding anything to the contrary set forth herein, Contributor shall reserve and retain all of the Excluded Assets and the Assets shall not include any of the Excluded Assets.

Section 2.2 *Consideration.* The contribution of the Assets under this Agreement shall be made by way of a capital contribution from Contributor to Antero Midstream and no payment shall be made by Antero Midstream to Contributor in consideration of such contribution.

Section 2.3 *Closing.* The Closing shall take place at the offices of Vinson & Elkins LLP, 1001 Fannin, Suite 2500, Houston, TX 77002 at 9:00 a.m. (Central Time) on the earlier of (i) the date on which Antero Midstream elects that Closing shall occur and (ii) the date falling 180 days after the date of this Agreement, and, in each case, if such date is not a Business Day, the first Business Day thereafter. At the Closing:

- (a) Antero Midstream shall deliver the following to Contributor:
 - (i) original executed counterparts of such assignment agreements, assumption agreements, novation agreements, releases, deeds and bills of sale (collectively, the “Assignment Documents”) as may be reasonably required by Antero Midstream in order to effect the contribution of the Assets as contemplated by this Agreement, in sufficient number as Contributor and Antero Midstream may each reasonably require to facilitate appropriate recording; *provided that* (i) any Assignment Document that comprises a deed for the transfer of real property shall, unless reasonably requested otherwise by Antero Midstream, be a special warranty deed and (ii) the Assignment Documents shall not materially vary the obligations or change the allocations of liability as between the Parties as set forth in this Agreement;
 - (ii) all other documents reasonably required by Contributor or Antero Midstream in order to transfer operations on the Assets to Antero Midstream, to the extent such operations were, immediately prior to Closing, conducted by Contributor or any of its Affiliates;
 - (iii) the consideration set forth in Section 2.2;
 - (iv) original executed counterparts of the Gathering Agreement, the Processing Agreement, the Water

Services Agreement and the License Agreement;

(v) original executed counterparts of such shared use agreements and other instruments relating to the Contributor and Antero Midstream's continued access to, and use of, respectively, the Assets and the retained assets of Contributor (collectively, the "Shared Use Agreements"), as may be reasonably required by Antero Midstream in order for Antero Midstream to develop, construct, own and operate the Assets and the related midstream business going forward, and for Contributor to continue to own and operate its retained business; and

(vi) any other items that are required by this Agreement to be executed and/or delivered by Antero Midstream on the Closing Date or are reasonably necessary or desirable to effect the consummation of the transactions contemplated hereby.

(b) Contributor shall deliver the following to Antero Midstream:

(i) original executed copies of such Assignment Documents as may be reasonably required by Antero Midstream in order to effect the contribution of the Assets as contemplated by this Agreement, in sufficient number as Contributor and Antero Midstream may each reasonably require to facilitate appropriate recording;

(ii) an executed certificate of non-foreign status described in Treasury Regulation §1.1445-2(b)(2);

(iii) all other documents reasonably required by Contributor or Antero Midstream in order to transfer operations on the Assets to Antero Midstream, to the extent such operations were, immediately prior to Closing, conducted by Contributor or any of its Affiliate;

(iv) original executed counterparts of the Gathering Agreement, the Processing Agreement, the Water Services Agreement and the License Agreement;

(v) a recordable release of any trust, mortgages, financing statements, fixture filings or security agreements made by Contributor or any of its Affiliates affecting any part of the Assets;

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(vi) original executed copies of the Shared Use Agreements; and

(vii) any other items that are required by this Agreement to be executed and/or delivered by Contributor on the Closing Date or are reasonably necessary or desirable to effect the consummation of the transactions contemplated hereby.

Section 2.4 *Revenues and Expenses.*

(a) Except as expressly provided otherwise in Section 7.1 or otherwise in this Agreement, Contributor or its applicable Affiliate shall remain entitled to all of the rights of ownership (including the right to all proceeds) and shall remain responsible for all Operating Expenses, in each case attributable to the Assets for the period of time prior to the Effective Time. Except as expressly provided otherwise in Section 7.1, Antero Midstream shall be entitled to all of the rights of ownership (including the right to all proceeds), and shall be responsible for all Operating Expenses, in each case attributable to the Assets from and after the Effective Time.

(b) If any Party receives monies that, in accordance with the principles set forth in Section 2.4(a), belong to the other Party, then the receiving Party shall, within 30 days after the end of the month in which such amounts were received, pay such amounts to the proper Party. If any Party pays monies for Operating Expenses which are the obligation of the other Party hereto, then such other Party shall, within 30 days after the end of the month in which the applicable invoice and proof of payment of such invoice were received, reimburse the Party that paid such Operating Expenses. If a Party receives an invoice of an expense or obligation which is owed by the other Party, such Party receiving the invoice shall promptly forward such invoice to the Party obligated to pay the same. If an invoice or other evidence of an obligation is received by a Party, which is partially an obligation of both Contributor and Antero Midstream, then the Parties shall consult with each other, and each shall promptly pay its portion of such obligation to the obligee.

(c) Each of Contributor and Antero Midstream shall be permitted to offset any Operating Expenses owed by such Party to the other Party pursuant to this Section 2.4 against revenues owing by the second Party to the first Party pursuant to this Section 2.4, but not otherwise.

ARTICLE III CONTRIBUTOR'S REPRESENTATIONS AND WARRANTIES

Contributor represents and warrants to Antero Midstream the following as of the date of this Agreement and as of Closing (except to the extent that a specific date is referred to, in which case Contributor represents and warrants to Antero Midstream that such statement is correct as of such specific date):

Section 3.1 *Organization and Good Standing.* Contributor is a corporation, duly organized and validly existing under the Laws of the State of Delaware. Contributor is duly licensed or qualified to do business as a foreign corporation, and is in good standing in all jurisdictions in which such qualification is required by Law, except where the failure to qualify would not have a Material Adverse Effect.

Section 3.2 *Authority; Authorization of Agreement.* Contributor has all requisite power and authority to execute and deliver this Agreement and the documents contemplated hereby to be executed and delivered by Contributor, to consummate the transactions contemplated by this Agreement and such documents and to perform all of its obligations herein and therein. This Agreement constitutes, and such documents, when executed and delivered by Contributor, shall constitute, the valid and binding obligation of Contributor, enforceable against it in accordance with their terms, except as such enforceability may be

limited by bankruptcy, insolvency or other Laws relating to or affecting the enforcement of creditors' rights and general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

Section 3.3 *No Violations.* Except for (x) any Customary Post-Closing Consents and (y) as at Closing, any Required Consents in respect of any Carved-Out Assets: (a) there are no consents, notices, approvals, waivers, authorizations and filings or other prohibitions on assignment that are applicable to the contribution of the Assets by Contributor and its Affiliates to Antero Midstream as contemplated by this Agreement; and (b) Contributor's execution and delivery of this Agreement and the documents contemplated hereby to be executed and delivered by Contributor, and the consummation of the transactions contemplated by this Agreement and such documents, shall not:

- (i) conflict with or require the consent, approval, waiver or authorization of, or the notice or filing to, any Person under any of the terms, conditions or provisions of the organizational documents of Contributor;
- (ii) violate any provision of, or require any consents, notices, approvals, waivers, authorizations and filings under, any Laws (excluding Environmental Laws) applicable to Contributor except (in each case) where such violation or the failure to make or obtain such consents, notices, approvals, waivers, authorizations and filings would not have a Material Adverse Effect;
- (iii) conflict with, result in a breach of, constitute a default under or constitute an event that with notice or lapse of time, or both, would constitute a default under, accelerate or permit the acceleration of the performance required by, or require any consents, notices, approvals, waivers, authorizations and filings under any Related Contract, except where such conflict, breach or default would not have a Material Adverse Effect; or
- (iv) result in the creation or imposition of any Lien upon one or more of the Assets except where such Lien would not have a Material Adverse Effect.

Section 3.4 *No Liens.* Except for Permitted Liens and Liens that will be released at Closing, there are no Liens upon any of the Assets.

ARTICLE IV ANTERO MIDSTREAM'S REPRESENTATIONS AND WARRANTIES

Antero Midstream represents and warrants to Contributor the following as of the date of this Agreement and as of Closing (except to the extent that a specific date is referred to, in which case Antero Midstream represents and warrants to Contributor that such statement is correct as of such specific date):

Section 4.1 *Organization and Good Standing.* Antero Midstream is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware. Antero Midstream is duly licensed or qualified to do business as a foreign entity and is in good standing in all jurisdictions in which it is required by Law except where the failure to qualify would not have a material adverse effect on the business, financial condition or results in operations of Antero Midstream or any of its subsidiaries taken as a whole or have a material adverse effect on Antero Midstream's ability to consummate the transactions contemplated by, or to perform its obligations under, this Agreement.

Section 4.2 *Authority; Authorization of Agreement.* Antero Midstream has all requisite power and authority to execute and deliver this Agreement and the documents contemplated hereby to be executed and delivered by Antero Midstream, to consummate the transactions contemplated by this Agreement and such documents and to perform all of its obligations herein and therein. This Agreement

constitutes, and such documents, when executed and delivered by Antero Midstream, shall constitute, the valid and binding obligation of Antero Midstream, enforceable against Antero Midstream in accordance with its and their terms, except as such enforceability may be limited by bankruptcy, insolvency or other Laws relating to or affecting the enforcement of creditors' rights and general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

Section 4.3 *No Violations.* Antero Midstream's execution and delivery of this Agreement and the documents contemplated hereby to be executed and delivered by Antero Midstream, and the consummation of the transactions contemplated by this Agreement and such documents do not:

- (a) conflict with or require the consent, approval, waiver or authorization of, or the notice or filing to, any Person

under any of the terms, conditions or provisions of the organizational documents of Antero Midstream;

(b) violate any provision of, or require any consents, notices, approvals, waivers, authorizations and filings under any Laws (excluding Environmental Laws) applicable to Antero Midstream; or

(c) conflict with, result in a breach of, constitute a default under or constitute an event that, with notice or lapse of time, or both, would constitute a default under, accelerate or permit the acceleration of the performance required by, or require any consents, notices, approvals, waivers, authorizations and filings under: (i) any material agreement or any mortgage, indenture, loan, credit agreement or other agreement evidencing indebtedness for borrowed money to which Antero Midstream is a party or by which Antero Midstream (or any of its assets) is bound, except (in each case) where such conflict, breach or default would not materially affect Antero Midstream's ability to consummate the transactions contemplated hereby or thereby or (ii) any order, judgment or decree of any Governmental Authority.

ARTICLE V COVENANTS

Section 5.1 *Conduct of Business.* From the date of this Agreement until the Closing, Contributor shall, and shall cause its Affiliates to:

(a) operate its business (solely as it relates to the Assets) in the ordinary course, except in respect of (i) operations necessary to respond to or alleviate the eminent or immediate endangerment of the health or safety of any individual or the environment or the safety or operational condition of any of the Assets, (ii) actions and operations necessary to develop, construct and hookup any midstream assets of Contributor or its Affiliates that are under development or construction as at the date of this Agreement, or that become under development or construction between the date of this Agreement and Closing, or (iii) any actions expressly consented to in writing by Antero Midstream; and

(b) not assign or otherwise dispose of, or agree to assign or otherwise dispose of, any of the Assets or create any Lien on any of the Assets other than Permitted Liens.

Section 5.2 *Records.* Contributor shall use commercially reasonable efforts to make available or deliver to Antero Midstream all of the Records as soon as practicable after the Closing Date. Contributor shall have no obligation to deliver any Records to Antero Midstream that include information relating to Excluded Assets. Notwithstanding the foregoing or any other provision in this Agreement to the contrary, from and after the Closing Date, Contributor may retain a copy of any or all of the Records.

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Section 5.3 *Bonds.* Contributor shall not terminate any of the Bonds relating to the Assets before Closing. Contributor shall be entitled to terminate any of the Bonds relating to the Assets after Closing; *provided that* Contributor shall not terminate (and shall cause its Affiliates not to terminate) any Bond relating to the Assets unless and until Antero Midstream has put into place a replacement for such Bond directly with the relevant Governmental Authority or other third party. Antero Midstream shall use its commercially reasonable endeavors to put into place replacement Bonds relating to the Assets as soon as reasonably practicable after Closing. If any Bond relating to the Assets is capable of transfer, in accordance with its terms, from Contributor or an Affiliate of Contributor to Antero Midstream, Antero Midstream may elect that such Bond be transferred to Antero Midstream, for consideration equal to the amount posted by Contributor or its relevant Affiliate in respect of such Bond.

Section 5.4 *Required Consents; Carved-Out Assets.*

(a) Contributor shall, before Closing, send to the holder of each Required Consent a notice in compliance with the contractual provisions applicable to such Required Consent seeking such holder's consent to the transactions contemplated hereby.

(b) In respect of (x) any Claim, Easement, Lease, Related Contract or Midstream Permit that is not capable of assignment to Antero Midstream and hence is not included in the Assets, or (y) any Asset to which a Required Consent applies and for which such Required Consent is not obtained before Closing (each such Claim, Easement, Lease, Related Contract, Midstream Permit or Asset, a "Carved-Out Asset"):

(i) such Carved-Out Asset shall not be contributed to Antero Midstream on Closing;

(ii) the Parties shall, at Closing, deliver to each other such documents and take such actions as Antero Midstream, acting reasonably, determines necessary or desirable to give to Antero Midstream the benefit of the Carved-Out Asset and to cause Antero Midstream to be responsible for all of the liabilities associated therewith (which may include Contributor holding title to such Carved-Out Asset in trust for Antero Midstream, Contributor sub-leasing, sub-contracting or licensing such Carved-Out Asset to Antero Midstream, Antero Midstream assuming the pre-Effective Time Liabilities of Contributor under the Related Contracts to the extent required for an assignment of such Related Contracts to be effective, or any other arrangement);

(iii) from and after Closing, and unless and until such Carved-Out Asset is contributed pursuant to paragraph (iv) or (v) below or otherwise by mutual agreement of the Parties:

(A) Antero Midstream shall perform all obligations of Contributor under such Carved-Out Asset;

and

(B) if such Carved-Out Asset is a Claim, Easement, Lease, Related Contract or Midstream

Permit, Contributor shall take no action (and shall make no omission) the taking (or omission, as applicable) of which would be reasonably likely to (1) comprise or cause a breach, violation or default of or under such Claim, Easement, Lease, Related Contract or Midstream Permit or (2) in respect of a Midstream Permit, cause its revocation, cancellation, suspension or adverse modification;

(iv) if such Carved-Out Asset requires a Required Consent, each Party shall use its commercially reasonable endeavors after Closing to cooperate with the other Party in seeking to obtain such Required Consent and, in the event that such Required Consent is obtained following the Closing Date, then, as soon as reasonably practicable (and no later than the tenth Business Day) after such

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Required Consent is obtained, Contributor shall contribute such Carved-Out Asset to Antero Midstream pursuant to an instrument or instruments in substantially the same form as equivalent instruments for similar assets executed and delivered at Closing, for no additional consideration; and

(v) each Party shall use its commercially reasonable endeavors after Closing to cooperate with the other Party in taking all other actions as may be reasonably required by Antero Midstream to cause such Carved-Out Asset to become assignable, if possible, and, in the event that such Carved-Out Asset becomes assignable following the Closing Date, then, as soon as reasonably practicable (and no later than the tenth Business Day) thereafter (assuming prior receipt of Required Consents), Contributor shall contribute such Carved-Out Asset to Antero Midstream pursuant to an instrument or instruments in substantially the same form as equivalent instruments for similar assets executed and delivered at Closing, for no additional consideration.

Section 5.5 *Customary Post-Closing Consents.* Each Party shall use its commercially reasonable endeavors after Closing to cooperate with the other Party in seeking to obtain each Customary Post-Closing Consent to the extent Antero Midstream deems it reasonably necessary to obtain such Customary Post-Closing Consent.

Section 5.6 *Casualty Loss.* Notwithstanding the Effective Time concept set forth in this Agreement, if, after the date of this Agreement but prior to the Closing Date, any portion of the Assets is damaged or destroyed by fire or other casualty or is taken in condemnation or under right of eminent domain, then (a) the affected Assets shall be deemed to be Excluded Assets and shall not be contributed at Closing, and (b) Contributor shall retain the right to all sums paid or payable to Contributor by third parties by reason of such event with respect to the affected Assets.

ARTICLE VI TAX MATTERS

Section 6.1 *Tax Matters.*

(a) *Transfer Taxes.* To the extent that any transfer, sales, purchase, use, stamp, registration or other similar Taxes (collectively, "Transfer Taxes") are payable as a result of the transactions contemplated by this Agreement, such Transfer Taxes shall be borne and timely paid by Contributor. Contributor and Antero Midstream, as appropriate, shall, at the expense of Contributor, file, to the extent required by applicable Laws, all necessary Tax Returns and other documentation with respect to such Taxes, and, if required by applicable Laws, Contributor and Antero Midstream, as appropriate, will join in the execution of any such Tax Return or other documentation of the other.

(b) *Asset Taxes.* Contributor shall be allocated and bear all Asset Taxes attributable to (A) any Tax period ending prior to the Effective Time and (B) the portion of any Straddle Period ending immediately prior to the Effective Time. Antero Midstream shall bear and be allocated all Asset Taxes attributable to (A) any Tax period beginning on or after the Effective Time and (B) the portion of any Straddle Period beginning on the Effective Time. For purposes of determining the allocations of Asset Taxes for Straddle Periods, (i) Asset Taxes that are imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible) shall be allocated between the portion of such Straddle Period ending immediately prior to the Effective Time and the portion of such Straddle Period beginning on the Effective Time based on the portion of the Straddle Period in which the transaction giving rise to such Asset Taxes occurred, and (ii) Asset Taxes that are ad valorem, property or other Asset Taxes imposed on a periodic basis pertaining to a Straddle Period shall be allocated between the portion of such Straddle Period ending immediately prior to the Effective Time and the portion of such Straddle Period beginning on the Effective Time by prorating each such Asset Tax based on the

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number of days in the applicable Straddle Period that occur before the Effective Time, on the one hand, and the number of days in such Straddle Period that occur on or after the Effective Time, on the other hand.

(c) *Tax Cooperation.* The Parties shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns and any audit, litigation or other proceeding with respect to Taxes relating to the Assets. Such cooperation shall include the retention and (upon another Party's request) the provision of records and information that are relevant to any such Tax Return or audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided under this Agreement. The Parties agree to retain all books and records with respect to Tax matters pertinent to the Assets relating to any taxable period beginning before the Effective Time until the expiration of the statute of limitations of the respective taxable periods and to abide by all record retention agreements entered into with

**ARTICLE VII
ASSUMPTION; DISCLAIMER**

Section 7.1 *Assumption by Antero Midstream.* Antero Midstream assumes and agrees to fulfill, perform, pay and discharge (or cause to be fulfilled, performed, paid and discharged) all Liabilities, known or unknown, with respect to the Assets to the extent arising on or after the Effective Time; *provided that* Antero Midstream shall not assume any Liabilities of Contributor resulting from, relating to or arising out of the Retained Liabilities or, for the avoidance of doubt, relating to or arising out of the Excluded Assets. Contributor shall indemnify Antero Midstream in respect of all Retained Liabilities and all Liabilities relating to or arising out of the Excluded Assets.

Section 7.2 *Disclaimer.*

(a) **EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN ARTICLE III AND IN ANY ASSIGNMENT DOCUMENT, (I) CONTRIBUTOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED AND (II) CONTRIBUTOR EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO ANTERO MIDSTREAM OR ITS EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES (INCLUDING ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO ANTERO MIDSTREAM BY ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT, CONSULTANT, REPRESENTATIVE OR ADVISOR OF CONTRIBUTOR).**

(b) EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN ARTICLE III AND IN ANY ASSIGNMENT DOCUMENT, CONTRIBUTOR EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (I) TITLE TO ANY OF THE ASSETS, (II) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (III) THE CONDITION, QUALITY, SUITABILITY OR MARKETABILITY OF THE ASSETS, (IV) THE CONTENT, CHARACTER OR NATURE OF ANY INFORMATION MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY CONTRIBUTOR OR THIRD PARTIES WITH RESPECT TO THE ASSETS, AND (V) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE TO ANTERO MIDSTREAM OR ITS EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DISCUSSION OR

PRESENTATION RELATING THERETO. EXCEPT AS AND TO THE EXTENT EXPRESSLY REPRESENTED OTHERWISE IN ARTICLE III AND IN ANY ASSIGNMENT DOCUMENT, CONTRIBUTOR FURTHER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, OF MERCHANTABILITY, FREEDOM FROM LATENT VICES OR DEFECTS, FITNESS FOR A PARTICULAR PURPOSE OR CONFORMITY TO MODELS OR SAMPLES OF MATERIALS OF ANY ASSETS, RIGHTS OF A PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, IT BEING EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES THAT, EXCEPT AS AND TO THE EXTENT OTHERWISE PROVIDED IN ARTICLE III OR IN ANY ASSIGNMENT DOCUMENT, ANTERO MIDSTREAM SHALL BE DEEMED TO BE OBTAINING THE ASSETS IN THEIR PRESENT STATUS, CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS" WITH ALL FAULTS OR DEFECTS (KNOWN OR UNKNOWN, LATENT, DISCOVERABLE OR UNDISCOVERABLE), AND THAT ANTERO MIDSTREAM HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS ANTERO MIDSTREAM DEEMS APPROPRIATE.

(c) Environmental Matters.

(i) CONTRIBUTOR HAS NOT MADE ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, ENVIRONMENTAL PERMITS, THE RELEASE OR THREATENED RELEASE OF HAZARDOUS MATERIALS INTO THE ENVIRONMENT, EXPOSURE TO HAZARDOUS MATERIALS, OR THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT, OR ANY OTHER ENVIRONMENTAL CONDITION OF THE ASSETS, AND NOTHING IN THIS AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY.

(ii) Notwithstanding Section 7.2(c)(i):

(A) Contributor shall indemnify and hold harmless Antero Midstream from and against all Liabilities (1) arising under Environmental Law to the extent resulting from Contributor's operation or ownership of the Assets and occurring before the Effective Time, and (2) to the extent resulting from Releases or threatened Releases of Hazardous Materials before the Effective Time at real property, offsite the Land and Leases, where such Hazardous Materials were transported or disposed of by Contributor in connection with the Contributor's operation of the Assets conveyed pursuant to this Agreement;

(B) Antero Midstream shall indemnify and hold harmless Contributor from and against all Liabilities (1) arising under Environmental Law in respect of the Assets to the extent arising on or after the Effective Time, and (2) to the extent resulting from Releases or threatened Releases of Hazardous Materials on or after the Effective Time at real property, offsite the Land and Leases, where such Hazardous Materials were transported or disposed of in connection with the Assets conveyed pursuant to this Agreement.

(d) THE PARTIES AGREE THAT, TO THE EXTENT REQUIRED BY APPLICABLE LAW TO BE EFFECTIVE, THE DISCLAIMERS OF CERTAIN REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS SECTION 7.2 ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSE OF ANY APPLICABLE LAW.

**ARTICLE VIII
MISCELLANEOUS PROVISIONS**

Section 8.1 *Notices.* All notices, communications and deliveries under this Agreement will be made in writing signed by or on behalf of the Party making the same, will specify the Section of this Agreement pursuant to which it is given or being made, and will be delivered personally or by facsimile transmission or sent by registered or certified mail (return receipt requested) or by nationally recognized overnight courier (with evidence of delivery and postage and other fees prepaid) as follows:

If to Antero Midstream:	Antero Resources Midstream LLC 1625 17 th Street Denver, Colorado 80202 Attn: Chief Financial Officer Facsimile: (303) 357-7315
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If to Contributor:	Antero Resources Corporation 1625 17 th Street Denver, Colorado 80202 Attn: Chief Financial Officer Facsimile: (303) 357-7315
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or to such other representative or at such other address or facsimile number of a Party as such Party may furnish to the other Parties in writing. Any such notice, communication or delivery will be deemed given or made upon the date of receipt by the applicable Party.

Section 8.2 *Assignment; Successors in Interest.* No assignment or transfer by any Party of its rights and obligations under this Agreement will be made except with the prior written consent of the other Party. This Agreement will be binding upon and will inure to the benefit of the Parties and their successors and permitted assigns, and any reference to a Party will also be a reference to a successor or permitted assign. For the avoidance of doubt, the conversion of a Party to a different legal form or the merger of a Party with a newly-formed entity for the principal purpose of converting such Party to a different legal form shall not be deemed an assignment of any rights or obligations under this Agreement.

Section 8.3 *Governing Law.* This Agreement will be governed by and construed and enforced in accordance with the Laws of the State of Texas, excluding any choice of Law rules which may direct the application of the Laws of another jurisdiction.

Section 8.4 *Consent to Jurisdiction, Etc.; Waiver of Jury Trial.* Each of the Parties hereby irrevocably consents and agrees that any dispute arising out of or relating to this Agreement or any related document shall exclusively be brought in the courts of the State of Texas, in Harris County or the federal courts located in the Southern District of the State of Texas. The Parties agree that, after such a dispute is before a court as specified in this Section 8.4 and during the pendency of such dispute before such court, all actions with respect to such dispute, including any counterclaim, cross-claim or interpleader, shall be subject to the exclusive jurisdiction of such court. Each of the Parties hereby waives, and agrees not to assert, as a defense in any legal dispute, that it is not subject thereto or that such dispute may not be brought or is not maintainable in such court or that its property is exempt or immune from execution, that the dispute is brought in an inconvenient forum or that the venue of the dispute is improper. Each Party agrees that a final judgment in any dispute described in this Section 8.4 after the expiration of any period permitted for appeal and subject to any stay during appeal shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Laws. **THE PARTIES HEREBY WAIVE IRREVOCABLY ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY**

IN CONNECTION WITH THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY OR ANY DOCUMENT CONTEMPLATED HEREIN OR OTHERWISE RELATED HERETO.

Section 8.5 *Severability.* Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Law, the Parties waive any provision of Law which renders any such provision prohibited or unenforceable in any respect.

Section 8.6 *Counterparts.* This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Facsimile or scanned and emailed transmission of any signed original document or retransmission of any signed facsimile or scanned and emailed transmission will be deemed the same as delivery of an original.

Section 8.7 *No Third-Party Beneficiaries.* Nothing expressed or implied in this Agreement is intended, or will be construed, to confer upon or give any Person other than the Parties, and their successors or permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, or result in such Person being deemed a third party beneficiary of this Agreement.

Section 8.8 *Amendment; Waiver.*

(a) Any amendment, extension or waiver of any provision of this Agreement will be valid only if set forth in an instrument in writing signed by both Contributor and Antero Midstream.

(b) A waiver by a Party of the performance of any covenant, agreement, obligation, condition, representation or warranty will not be construed as a waiver of any other covenant, agreement, obligation, condition, representation or warranty. A waiver by any Party of the performance of any act will not constitute a waiver of the performance of any other act or an identical act required to be performed at a later time.

Section 8.9 *Entire Agreement.* This Agreement and the documents executed pursuant to this Agreement supersede all negotiations, agreements and understandings between the Parties with respect to the subject matter of this Agreement and constitute the entire agreement between the Parties.

Section 8.10 *Further Cooperation.* From and after the Closing Date, each of the Parties shall deliver to the others such further information and documents and shall execute and deliver to the others such further instruments and agreements as the other Party shall reasonably request to consummate or confirm the transactions provided for in this Agreement, to accomplish the purpose of this Agreement.

Section 8.11 *Transaction Costs.* Except as otherwise provided herein, each Party will be responsible for its own legal fees and other expenses incurred in connection with the negotiation, preparation, execution or performance of this Agreement.

Section 8.12 *Construction.*

(a) This Agreement has been freely and fairly negotiated between the Parties. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party because of the authorship of any provision of this Agreement. Any reference to any Law will be deemed

also to refer to such Law as amended, modified, succeeded or supplemented from time to time and in effect at any given time, and all rules and regulations promulgated thereunder, unless the context requires otherwise. The words "include," "includes," and "including" do not limit the preceding terms or words and shall be deemed to be followed by "without limitation." Pronouns in masculine, feminine and neuter genders will be construed to include any other gender, and words in the singular form will be construed to include the plural and vice versa, unless the context otherwise requires. Unless the context otherwise requires, the terms "day" and "days" mean and refer to calendar day(s). The words "this Agreement," "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.

(b) The titles, captions and table of contents contained in this Agreement are inserted in this Agreement only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision of this Agreement.

Signature Page Follows

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

ANTERO RESOURCES CORPORATION

By:

Name:

Title: _____

ANTERO RESOURCES MIDSTREAM LLC

By:

Name: _____

Title:

Signature Page to Contribution Agreement

FORM OF REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this “*Agreement*”), dated as of _____, 2013, is by and among Antero Resources Corporation, a Delaware corporation (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, all of the outstanding shares of Antero Resources Common Stock were held by Antero Resources LLC, a Delaware limited liability company (“*ARLLC*”);

WHEREAS, in connection with the Initial Public Offering, all of the members of ARLLC contributed their membership interests in ARLLC to Antero Resources Investment LLC, a Delaware limited liability company (“*Investment*”), and, immediately thereafter, ARLLC was merged with and into the Company (such transactions, the “*Reorganization*”);

WHEREAS, immediately after giving effect to the Reorganization and before the completion of the Initial Public Offering, all of the outstanding shares of Antero Resources Common Stock were held by Investment; and

WHEREAS, in connection with the Reorganization, 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.

“*Antero Resources Common Stock*” means the common stock, par value \$0.01 per share, of the Company.

“*Class A-1 Units*” shall mean units of Investment’s class of capital interests known as Class A-1 units.

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“*Class A-3 Units*” shall mean units of Investment’s class of capital interests known as Class A-3 units.

“*Class B-1 Units*” shall mean units of Investment’s class of capital interests known as Class B-1 units.

“*Class B-3 Units*” shall mean units of Investment’s class of capital interests known as Class B-3 units.

“*Class B-5 Units*” shall mean units of Investment’s class of capital interests known as Class B-5 units.

“*Class B-6 Units*” shall mean units of Investment’s class of capital interests known as Class B-6 units.

“*Class I Units*” refers collectively, or sometimes individually, to Class I-1 Units, Class I-2 Units, Class I-3 Units, Class I-4 Units and/or Class I-5 Units.

“*Class I-1 Units*” shall mean units of Investment’s class of capital interests known as Class I-1 units.

“*Class I-2 Units*” shall mean units of Investment’s class of capital interests known as Class I-2 units.

“*Class I-3 Units*” shall mean units of Investment’s class of capital interests known as Class I-3 units.

“*Class I-4 Units*” shall mean units of Investment’s class of capital interests known as Class I-4 units.

“*Class I-5 Units*” shall mean units of Investment’s class of capital interests known as Class I-5 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 for whom Investment holds outstanding Registrable Securities or who holds 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.”

“LLC Agreement” shall mean that certain limited liability company agreement of Investment, dated as of , 2013, 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.

“Registrable Securities” shall mean the shares of Antero Resources Common Stock held by Investment. 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

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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, the Class B-6 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 an Initial Public Offering, subject to the restrictions on sales of shares of Antero Resources Common Stock set forth in Section 6.9 of the LLC Agreement, 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

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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 (c) 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 (c)(ii) hereof, and such registration shall not reduce the number of available registrations under this Section 3 in the event that the Registration Statement

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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)

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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.

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(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.

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(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(i) 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

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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

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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 the 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. Following the 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 Antero Resources Common, 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 Corporation
1625 17th Street, Suite 300
Denver, Colorado 80202
Fax: (303) 357-7315

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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

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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 the Initial 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.

(1) 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:

ANTERO RESOURCES CORPORATION

By: _____
Name: _____
Title: _____

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS:

WP ANTERO LLC

By: WP Antero Holdco, LLC, its managing member

By: WP Antero Topco, Inc., its managing member

By: _____
Name: _____
Title: _____

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS (cont.):

YORKTOWN ENERGY PARTNERS V, L.P.

By: Yorktown V Company LLC, its General Partner

By: _____
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: _____
Name: W. Howard Keenan, Jr.
Title: Manager

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS (cont.):

YORKTOWN ENERGY PARTNERS VII, L.P.

By: Yorktown VII Company LP, its General Partner

By: Yorktown VII Associates LLC, its General Partner

By: _____
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: _____
Name: W. Howard Keenan, Jr.
Title: Manager

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS (cont.):

TCP ANTERO I-1 HOLDCO, LLC

By: Trilantic Capital Management LLC,
its Investment Advisor

By: _____
Name: _____
Title: _____

TCP ANTERO I-2 HOLDCO, LLC

By: Trilantic Capital Management LLC,
its Investment Advisor

By: _____
Name: _____
Title: _____

TCP ANTERO I-4 HOLDCO, LLC

By: Trilantic Capital Management LLC,
its Investment Advisor

By: _____
Name: _____
Title: _____

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS (cont.):

LB I GROUP INC.

By: _____
Name: _____
Title: _____

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS (cont.):

SPINDRIFT PARTNERS, L.P.

By: Wellington Management Company, LLP,
as Investment Adviser

By: _____
Name: Robert J. Toner
Title: Vice President and Counsel

SPINDRIFT INVESTORS (BERMUDA) L.P.

By: Wellington Management Company, LLP,
as Investment Adviser

By: _____
Name: Robert J. Toner
Title: Vice President and Counsel

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS (cont.):

GENERAL MILLS GROUP TRUST

By: _____
Name: Marie Pillai
Title: Executive Secretary, Benefit Finance Committee

**GENERAL MILLS BAKERY,
CONFECTIONARY, TOBACCO AND GRAIN
MILLERS (AFL-CIO) HEALTH AND
WELFARE PLAN**

By: _____
Name: Marie Pillai
Title: Executive Secretary, Benefit Finance Committee

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS (cont.):

**THE BOARD OF TRUSTEES OF THE
LELAND STANFORD JUNIOR UNIVERSITY**

By: The Stanford Management Company

By: _____
Name: Laudan Nabizadeh
Title: Director of Real Estate and Natural Resources Investments

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS (cont.):

YALE UNIVERSITY

By: _____
Name: _____
Title: _____

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS (cont.):

IGASUS, LLC

By: _____
Name: _____
Title: _____

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS (cont.):

Hall Drilling, LLC

By: _____
Michael T. Hall
President

Hall & Ross Energy Partners

By: _____
Samuel B. Ross, II, its Managing General Partner

Samuel B. Ross, II

Spencer B. Ross

Samuel B. Ross, III

The Samuel B. Ross, III Legacy Trust

Spencer B. Ross, as Trustee

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS (cont.):

The Hall Family Legacy Trust

Michael T. Hall, Jr., as Trustee

Michael T. Hall

Gregory R. Barton

Charlene W. Crooks

The William E. Hamb 2007 Revocable Trust

William E. Hamb, as Trustee

MEMBERS (cont.):

Terry A. Hall

John A. Brunett

Glen Arden Associates

By: _____

Name: John A. Staley IV

Title: General Partner

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

Crystal Roberts, L.L.C.

By: _____

Name: _____

Title: _____

Charles E. Roberts

John Kevin Ellis

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS (cont.):

SALISBURY INVESTMENT HOLDINGS, LLC

By: _____

Name: Paul M. Rady

Title: Managing Member

MOCKINGBIRD INVESTMENTS, LLC

By: _____

Name: Paul M. Rady
Title: Managing Member

Paul M. Rady, Individually

CANTON INVESTMENT HOLDINGS, LLC

By:
Name: Glen C. Warren, Jr.
Title: Managing Member

Glen C. Warren, Jr., Individually

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

MEMBERS (cont.):

Steven M. Woodward

Brian A. Kuhn

Robert E. Mueller

Alvyn A. Schopp

Mark D. Mauz

Kevin J. Kilstrom

Jonathan L. Grannis

Robert S. Tucker

Timothy D. Clawson

Ivan Kawcak

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION**

REGISTRATION RIGHTS AGREEMENT

OTHER MEMBER:

**ANTERO RESOURCES EMPLOYEE
HOLDINGS, LLC**

By: _____
Name: _____
Title: _____

**SIGNATURE PAGE TO
ANTERO RESOURCES CORPORATION
REGISTRATION RIGHTS AGREEMENT**

ANNEX A

MEMBERS

Investor Members

- WP Antero, LLC
- Yorktown Energy Partners V, L.P.
- Yorktown Energy Partners VI, L.P.
- Yorktown Energy Partners VII, L.P.
- Yorktown Energy Partners VIII, L.P.
- TCP Antero I-1 Holdco, LLC
- TCP Antero I-2 Holdco, LLC
- TCP Antero I-4 Holdco, LLC
- LB I Group Inc.
- Spindrift Partners, L.P.
- Spindrift Investors (Bermuda) L.P.
- General Mills Group Trust
- General Mills Bakery, Confectionary, Tobacco and Grain Millers (AFL-CIO) Health and Welfare Plan
- The Board of Trustees of the Leland Stanford Junior University
- Yale University
- Igasus, LLC
- Hall Drilling, LLC
- Hall & Ross Energy Partners
- Samuel B. Ross, II
- Spencer B. Ross
- Samuel B. Ross, III

- The Samuel B. Ross, III Legacy Trust
- The Hall Family Legacy Trust
- Michael T. Hall
- Gregory R. Barton
- Charlene W. Crooks
- The William E. Hamb 2007 Revocable Trust
- Terry A. Hall
- John A. Brunett
- Glen Arden Associates
- John A. Staley IV
- Crystal Roberts, L.L.C.
- Charles E. Roberts
- John Kevin Ellis

Management Members

- Salisbury Investment Holdings, LLC
- Mockingbird Investments, LLC
- Paul M. Rady
- Canton Investment Holdings, LLC
- Glen C. Warren
- Steven M. Woodward
- Brian A. Kuhn
- Robert E. Mueller
- Alvyn A. Schopp
- Mark D. Mauz

Annex A-2

- Kevin J. Kilstrom
- Jonathan L. Grannis
- Robert S. Tucker
- Timothy D. Clawson
- Ivan Kawcak

Other Member

- Antero Resources Employee Holdings, LLC

Annex A-3

EXHIBIT A

ADDENDUM AGREEMENT

This Addendum Agreement is made this _____ day of _____, 20____, by and between _____ (the “**New Unitholder**”) and Antero Resources Corporation, a Delaware corporation (the “**Company**”), pursuant to a Registration Rights Agreement dated as of _____, 2013 (the “**Agreement**”), between and among the Company and certain unitholders of Antero Resources Investment LLC, a Delaware limited liability company (such unitholders, whether in their capacity as unitholders and indirect holders of Registrable Securities or in their capacity as holders directly of Registrable Securities, the “**Unitholders**”).

WITNESSETH:

WHEREAS, the Company and the Unitholders entered into the Agreement to impose certain restrictions and obligations upon themselves, and to provide certain registration rights, with respect to the units of the Company’s Registrable Securities (as defined in the Agreement); and

WHEREAS, the New Unitholder has acquired Registrable Securities (directly or indirectly from a Unitholder; and

WHEREAS, the Company and the Unitholders have required in the Agreement that all persons desiring registration rights must enter into an Addendum Agreement binding the New Unitholder to the Agreement to the same extent as if it were an original party thereto;

NOW, THEREFORE, in consideration of the mutual promises of the parties, the New Unitholder acknowledges that it has received and read the Agreement and that the New Unitholder shall be bound by, and shall have the benefit of, all of the terms and conditions set out in the Agreement to the same extent as if it were an original party to the Agreement and shall be deemed to be a Unitholder thereunder.

[Amend Annex A of Agreement if necessary to reflect appropriate schedule for new Unitholder.]

New Unitholder

Address:

Exhibit A-1

AGREED TO on behalf of the Company pursuant to Section 12(c) of the Agreement.

ANTERO RESOURCES CORPORATION

By: _____

Name: _____

Title: _____

Exhibit A-2

FORM OF RIGHT OF FIRST OFFER AGREEMENT

BY AND BETWEEN

ANTERO RESOURCES CORPORATION

AND

ANTERO RESOURCES MIDSTREAM LLC

DATED AS OF

[]

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

RECITALS

A. Producer owns Oil and Gas Interests and intends to produce Gas (and/or liquid hydrocarbons) from wells on such Oil and Gas Interests.

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

NOW THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

Capitalized terms used in this Agreement shall have the respective meanings given to such terms set forth below.

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

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

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

Affiliate. Any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with another Person. *Affiliated* shall have the correlative meaning. The term “control” (including its derivatives and similar terms) shall mean possessing the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. Notwithstanding the foregoing, any Person shall be deemed to control any specified Person if such Person owns fifty percent (50%) or more of the voting securities of the specified Person, or if the specified Person owns fifty percent (50%) or more of the voting securities of such Person, or if fifty percent (50%) or more of the voting securities of the specified Person and such Person are under common control.

Agreement. As defined in the preamble hereof.

Bid. As defined in Section 3.2(a).

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

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

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

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

Day. A period commencing at 10:00 a.m., Eastern Standard Time, on a calendar day and ending at 10:00 a.m., Eastern Standard Time, on the next succeeding calendar day.

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

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

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

Fair Market Value. With respect to any asset, the price that would be paid by a willing buyer of such asset to a willing seller, as determined by an independent nationally known investment banking firm selected by Midstream and reasonably acceptable to Producer.

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

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

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

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

Gas. Any mixture of gaseous hydrocarbons, consisting essentially of methane and heavier hydrocarbons and inert and noncombustible gases, that is extracted from beneath the surface of the earth.

Governmental Authority. Any federal, state, local, municipal, tribal or other government; any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power; and any court or governmental tribunal, including any tribal authority having or asserting jurisdiction.

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

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

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

Midstream. As defined in the preamble of this Agreement.

Month. A period commencing at 10:00 a.m., Eastern Standard Time, on the first Day of a calendar month and extending until 10:00 a.m., Eastern Standard Time, on the first Day of the next succeeding calendar month.

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

Oil and Gas Interests. Oil and gas leasehold interests and oil and gas mineral fee interests, including working interests, overriding royalty interests, net profits interests, carried interests, and similar rights and interests.

Parties. As defined in the preamble of this Agreement.

Party. As defined in the preamble of this Agreement.

Person. An individual, a corporation, a partnership, a limited partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization, or any other entity or organization, including a Governmental Authority.

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

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

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

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

Producer. As defined in the preamble of this Agreement.

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

Services. (i) The Processing Services; (ii) the fractionation of Plant Products; (iii) the transportation of Plant Products and/or the exchange of Plant Products for Fractionated Products; and (iv) the marketing and delivery of Fractionated Products.

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

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

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

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

**ARTICLE 2
DEDICATION**

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

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

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

Section 2.4 Covenant Running with the Land. The covenant and commitment made by Producer under this Article 2 is a covenant running with the land. For the avoidance of doubt, in the event Producer sells, transfers, conveys, assigns,

grants, or otherwise disposes of any or all of its interest in any property covered by any Oil and Gas Interest, then any such sale, transfer, conveyance, assignment, grant, or other disposition shall be expressly subject to this Agreement and any instrument of conveyance shall so state. Notwithstanding the foregoing, Producer shall be permitted to sell, transfer, convey, assign, grant, or otherwise dispose of any property free of the covenant and commitment made under this Article 2 in a sale or other disposition involving a number of net acres covered by any Oil and Gas Interest that, when added to the total of net acres covered by any Oil and Gas Interest theretofore and, where applicable, simultaneously disposed of free of dedication hereunder pursuant to this Section 2.4, does not exceed the aggregate number of net acres covered by any Oil and Gas Interest acquired by Producer after the Effective Date. At the request of Midstream, the Parties shall execute and record an amendment to the memorandum of this Agreement previously entered into, as provided in Section 6.16, to reflect any such addition to or release of acreage.

ARTICLE 3 RIGHT OF FIRST OFFER

Section 3.1 Bid Request.

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

- (i) confirmation that the New Services include all Services with respect to Producer Gas produced from the Dedication Area described in the Bid Request, or a description of any Conflicting Dedication and the Services being excluded from the Bid Request as a result of such Conflicting Dedication;
- (ii) a description of the initial required delivery points to which Producer's residue Gas is to be redelivered to Producer (including any existing delivery points to which residue Gas is to be delivered from the Acquired Facility);
- (iii) Producer's required Firm Capacity in MMcf per Day;
- (iv) in the case of an Acquired Facility, a reasonable description of the Acquired Facility and the price paid or proposed to be paid by Producer for the Acquired Facility, including any liabilities assumed by Producer, and details of any third party contracts for processing at the Acquired Facility;
- (v) a description of any new facilities Producer desires, including the capacity thereof;

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

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

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

(b) Notwithstanding Section 3.1(a), if from time to time any Processing Agreement is in effect, Producer shall not be required to issue a Bid Request in connection with any desired expansion of the Processing Plant (as defined in such Processing Agreement) to provide Increased Capacity (as defined in such Processing Agreement).

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

Section 3.2 Bid; Bid Award.

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

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

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

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

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

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

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

Section 3.3 Accepted Bid.

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

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

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

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

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

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

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

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

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

Section 3.4 Accepted Third Party Bid. With respect to any Services requested in a Bid Request as to which a Third Party Bid is accepted as provided in Section 3.2(c) above, Producer shall be entitled, for a period of 90 days after such Third Party Bid is accepted, (a) to enter into a Processing Agreement or a Services Agreement in the form provided by Producer in the Bid

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

Section 3.5 Midstream Rights Unaffected.

(a) Any Services covered by any Bid Request (i) with respect to which a Third Party Bid is accepted but with respect to which Producer does not enter into a Processing Agreement or other Services Agreement in accordance with Section 3.4 within the 90-Day period provided for in such section or (ii) that is a Withdrawn Bid Request shall continue to be subject to this Agreement, and, if Producer thereafter desires such Services, it shall comply with the provisions of this Agreement with respect thereto.

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

**ARTICLE 4
TERM**

Section 4.1 Term. This Agreement shall become effective on the Effective Date and, unless terminated earlier by mutual agreement of the Parties, shall continue in effect until the twentieth (20th) anniversary of the Effective Date.

**ARTICLE 5
NOTICES**

Section 5.1 Notices. Unless otherwise provided herein, any notice, request, invoice, statement, or demand which either Party desires to serve upon the other regarding this Agreement shall be made in writing and shall be considered as delivered (i) when hand delivered, or (ii) when delivery is confirmed by pre-paid delivery service (such as FedEx, UPS, DHL or a similar delivery service), or (iii) if mailed by United States certified mail, postage prepaid, three (3) Business Days after mailing, or (iv) if sent by facsimile transmission, when receipt is confirmed by the equipment of the transmitting Party, or (v) when sent via email; provided, if sent by email after normal business hours or if receipt of a facsimile transmission is confirmed after normal business hours, receipt shall be deemed to be the next Business Day. Notwithstanding the foregoing, if a Party desires to serve upon the other a notice of default under this Agreement, the delivery of such notice shall be considered effective under this Section 5.1 only if delivered by any method set forth in items (i) through (iv) above. Any notice shall be

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given to the other Party at the following address, or to such other address as either Party shall designate by written notice to the other:

Producer: ANTERO RESOURCES CORPORATION
1625 17th Street
Denver, Colorado 80202

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

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

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

Midstream: ANTERO RESOURCES MIDSTREAM LLC
1625 17th Street
Denver, Colorado 80202

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

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

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

**ARTICLE 6
MISCELLANEOUS**

Section 6.1 Rights. The failure of either Party to exercise any right granted hereunder shall not impair nor be deemed a waiver of that Party's privilege of exercising that right at any subsequent time or times.

Section 6.2 Applicable Laws. This Agreement is subject to all valid present and future laws, regulations, rules and orders of Governmental Authorities now or hereafter having

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jurisdiction over the Parties, this Agreement, or the services performed or the facilities utilized under this Agreement.

Section 6.3 Governing Law; Jurisdiction.

(a) This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado without regard to choice of law principles.

(b) The Parties agree that the appropriate, exclusive and convenient forum for any disputes between the Parties arising out of this Agreement or the transactions contemplated hereby shall be in any state or federal court in City and County of Denver, Colorado, and each of the Parties irrevocably submits to the jurisdiction of such courts solely in respect of any proceeding arising out of or related to this Agreement. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Agreement or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts.

Section 6.4 Successors and Assigns.

(a) This Agreement shall extend to and inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. To the extent any Affiliate of Producer acquires any Oil and Gas Interests of Producer, Producer shall cause such Affiliate to comply with the obligations of Producer under this Agreement in the event such Affiliate requires Services relating to such Oil and Gas Properties. Except as set forth in Section 6.4(b) and Section 6.4(c), neither Party shall have the right to assign its respective rights and obligations in whole or in part under this Agreement without the prior written consent of the other Party (which such consent shall not be unreasonably withheld, conditioned or delayed), and any assignment or attempted assignment made otherwise than in accordance with this Section 6.4 shall be null and void *ab initio*.

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

(c) Notwithstanding the foregoing clause (a):

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

(ii) Midstream shall have the right to grant a security interest in this Agreement to a lender or other debt provider (or trustee or agent on behalf of such lender) of Midstream.

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

Section 6.5 Severability. If any provision of this Agreement is determined to be void or unenforceable, in whole or in part, then (i) such provision shall be deemed inoperative to the extent it is deemed void or unenforceable, (ii) the Parties agree to enter into such amendments to this Agreement in order to give effect, to the greatest extent legally possible, to the provision that is determined to be void or unenforceable and (iii) the other provisions of this Agreement in all other respects shall remain in full force and effect and binding and enforceable to the maximum extent permitted by law; provided, however, that in the event that a material term under this Agreement is so modified, the Parties will, timely and in good faith, negotiate to revise and amend this Agreement in a manner which preserves, as closely as possible, each Party's business and economic objectives as expressed by the Agreement prior to such modification.

Section 6.6 Confidentiality.

(a) Confidentiality. Except as otherwise provided in this Section 6.6, each Party agrees that it shall maintain all terms and conditions of this Agreement, and all information disclosed to it by the other Party or obtained by it in the performance of this Agreement and relating to the other Party's business (including all data relating to the production of Producer, including well data, production volumes, volumes gathered, transported, or compressed, and gas quality) (collectively, "**Confidential Information**") in strictest confidence, and that it shall not cause or permit disclosure of this Agreement or its existence or any provisions contained herein without the express written consent of the other Party.

(b) Permitted Disclosures. Notwithstanding Section 6.6(a), disclosures of any Confidential Information may be made by either Party (i) to the extent necessary for such Party to enforce its rights hereunder against the other Party; (ii) to the extent to which a Party is required to disclose all or part of this Agreement by a statute or by the order or rule of a Governmental Authority exercising jurisdiction over the subject matter hereof, by order, by regulations, or by other compulsory process (including deposition, subpoena, interrogatory, or request for production of documents); (iii) to the extent required by the applicable regulations of a securities or commodities exchange; (iv) to a third person in connection with a proposed sale or other transfer of a Party's interest in this Agreement, provided such third person agrees in writing to be bound by the terms of this Section 6.6; (v) to its own directors, officers, employees, agents and representatives; (vi) to an Affiliate; (vii) to financial advisors, attorneys, and banks, provided that such Persons are subject to a confidentiality undertaking consistent with this Section 6.6(b), or (viii) to a royalty, overriding royalty, net profits or similar owner burdening Producer Gas, provided such royalty, overriding royalty, net profits or similar owner, agrees in writing to be bound by the terms of this Section 6.6.

(c) Notification. If either Party is or becomes aware of a fact, obligation, or circumstance that has resulted or may result in a disclosure of any of the terms and conditions of this Agreement authorized by Section 6.6(b)(ii) or (iii), it shall so notify in writing the other Party promptly and shall provide documentation or an explanation of such disclosure as soon as it is available.

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(d) Party Responsibility. Each Party shall be deemed solely responsible and liable for the actions of its directors, officers, employees, agents, representatives and Affiliates for maintaining the confidentiality commitments of this Section 6.6.

(e) Public Announcements. The Parties agree that prior to making any public announcement or statement with respect to this Agreement or the transaction represented herein permitted under this Section 6.6, the Party desiring to make such public announcement or statement shall provide the other Party with a copy of the proposed announcement or statement prior to the intended release date of such announcement. The other Party shall thereafter consult with the Party desiring to make the release, and the Parties shall exercise their reasonable best efforts to (i) agree upon the text of a joint public announcement or statement to be made by both such Parties or (ii) in the case of a statement to be made solely by one Party, obtain approval of the other Party to the text of a public announcement or statement. Nothing contained in this Section 6.6 shall be construed to require either Party to obtain approval of the other Party to disclose information with respect to this Agreement or the transaction represented herein to any Governmental Authority to the extent required by applicable law or necessary to comply with disclosure requirements of the Securities and Exchange Commission, New York Stock Exchange, or any other regulated stock exchange.

(f) Survival. The provisions of this Section 6.6 shall survive any expiration or termination of this Agreement for a period of one (1) year.

Section 6.7 Entire Agreement, Amendments and Waiver. This Agreement, including all exhibits hereto, integrates the entire understanding between the Parties with respect to the subject matter covered and supersedes all prior understandings, drafts, discussions, or statements, whether oral or in writing, expressed or implied, dealing with the same subject matter. This Agreement may not be amended or modified in any manner except by a written document signed by the Parties that expressly amends this Agreement. No waiver by either Party of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly provided. No waiver shall be effective unless made in writing and signed by the Party to be charged with such waiver.

Section 6.8 Limitation of Liability. **NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES SUFFERED BY SUCH PARTY RESULTING FROM OR ARISING OUT OF THIS AGREEMENT OR THE BREACH THEREOF OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER TORT, NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT, WARRANTY, INDEMNITY OR OTHERWISE, INCLUDING LOSS OF USE, INCREASED COST OF OPERATIONS, LOSS OF PROFIT OR REVENUE, OR BUSINESS INTERRUPTIONS; PROVIDED, HOWEVER, THAT THE FOREGOING LIMITATION SHALL NOT APPLY TO ANY DAMAGE CLAIM ASSERTED BY OR AWARDED TO A THIRD PARTY FOR WHICH A PARTY WOULD OTHERWISE BE LIABLE UNDER ANY INDEMNIFICATION PROVISION SET FORTH HEREIN.**

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

Section 6.10 Rights and Remedies. Except as otherwise provided in this Agreement, each Party reserves to itself all rights, counterclaims, other remedies and defenses that such Party is or may be entitled to arising from or out of this Agreement or as otherwise provided by law.

Section 6.11 No Partnership. Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture or impose a trust, fiduciary or partnership duty, obligation or liability on or with regard to either Party.

Section 6.12 Rules of Construction. In construing this Agreement, the following principles shall be followed:

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

Section 6.13 No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their respective

successors and permitted assigns, and shall not inure to the benefit of any other Person whomsoever or whatsoever, it being the intention of the Parties that no third Person shall be deemed a third party beneficiary of this Agreement.

Section 6.14 Further Assurances. Each Party shall take such acts and execute and deliver such documents as may be reasonably required to effectuate the purposes of this Agreement.

Section 6.15 Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument.

Section 6.16 Memorandum of Agreement. Contemporaneously with the execution of this Agreement, the Parties shall execute, acknowledge, deliver and record a "short form" memorandum of this Agreement in a form substantially similar to Exhibit B, which shall be placed of record in each state and county in which the properties covered by Producer's Oil and Gas Interests are located, and further memoranda in substantially similar form shall be recorded

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in additional counties as may be required upon any future acquisition by Producer of Oil and Gas Interests.

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

ANTERO RESOURCES CORPORATION

By: _____
Name: _____
Title: _____

ANTERO RESOURCES MIDSTREAM LLC

By: _____
Name: _____
Title: _____

Signature Page

FORM OF GATHERING AND COMPRESSION AGREEMENT

BY AND BETWEEN

ANTERO RESOURCES CORPORATION

AND

ANTERO RESOURCES MIDSTREAM LLC

DATED AS OF

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GATHERING AND COMPRESSION AGREEMENT

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

RECITALS

- A. Shipper owns Oil and Gas Interests and intends to produce Gas and/or Liquid Hydrocarbons from Wells in the Initial Dedication Area and may from time to time own Oil and Gas Interests and may produce Gas and Liquid Hydrocarbons from Wells in other areas.
- B. Gatherer has acquired the Gathering System, which gathers Gas from certain Wells of Shipper, from Shipper. Gatherer anticipates the expansion of the Gathering System to connect additional Wells of Shipper.
- C. Shipper desires to contract with Gatherer to provide the Services on the Gathering System with respect to Dedicated Production, including compressing Dedicated Gas at the System Compression Stations, and Gatherer desires to provide the Services to Shipper, in each case in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement, the Parties agree as follows:

**ARTICLE 1
DEFINITIONS**

Capitalized terms used, but not otherwise defined, in this Agreement shall have the respective meanings given to such terms set forth below:

Acquired Facilities. As defined in Section 2.5(c).

Adequate Assurance of Performance. As defined in Section 13.6(a).

Affiliate. Any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with another Person. **Affiliated** shall have the correlative meaning. The term “control” (including its derivatives and similar terms) shall mean possessing the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. Notwithstanding the foregoing, any Person shall be deemed to control any specified Person if such Person owns fifty percent (50%) or more of the voting securities of the specified Person, or if the specified Person owns fifty percent (50%) or more of the voting securities of such Person, or if fifty percent (50%) or more of the voting securities of the specified Person and such Person are under common control.

Agreement. As defined in the preamble hereof.

Barrel. Forty-two Gallons.

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

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

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

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

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

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

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

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

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

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

CPI. As defined in Section 5.1(b).

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

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

Day. A period commencing at 10:00 a.m., Eastern Standard Time, on a calendar day and ending at 10:00 a.m., Eastern Standard Time, on the next succeeding calendar day. **Daily** shall have the correlative meaning.

Dedicated Gas. Gas constituting Dedicated Production.

Dedicated Production. All Production that is attributable to any Dedicated Property (including all Production attributable to third parties that is produced from a Well located on such Dedicated Property) that Shipper has the right to control and deliver for gathering and that is produced on or after the Dedication Effective Date with respect to such Dedicated Property, except for (i) Production consisting of Liquid Hydrocarbons, except to the extent that Gatherer is

providing Liquid Hydrocarbons gathering pursuant to Section 2.5(c), and (ii) Gas being produced from the wells identified in Exhibit A.

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

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

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

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

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

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

Downstream Pipeline. Any Gas pipeline or any facilities of any end-user or local distribution company, in each case

downstream of the Gathering System, into which Shipper's Gas is delivered from the Gathering System or a Processing Plant.

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

Emissions Charges. As defined in Section 10.5.

Fair Market Value. With respect to any asset, the price that would be paid by a willing buyer of such asset to a willing seller, as determined by an independent nationally known investment banking firm selected by Gatherer and reasonably acceptable to Shipper.

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FERC. As defined in Section 18.2.

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

Force Majeure. As defined in Section 14.2.

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

Gallon. One U.S. gallon, which is equal to 231 cubic inches.

Gas. Any mixture of gaseous hydrocarbons, consisting essentially of methane and heavier hydrocarbons and inert and noncombustible gases, that is extracted from beneath the surface of the earth.

Gas Quality Specifications. As defined in Section 10.1.

Gatherer. As defined in the preamble of this Agreement.

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

Gathering System. The gathering system described in Exhibit C being acquired by Gatherer from Shipper as of the date hereof, together with any additional System Segments constructed after the date hereof, as such gathering system is expanded after the date hereof, including, in each case, to the extent now in existence or constructed or installed in the future, Low Pressure Gas gathering pipelines, Liquid Hydrocarbons gathering pipelines, High Pressure Gas gathering pipelines, System Compressor Stations, Gas dehydration facilities, Receipt Points, Delivery Points (including all interconnection facilities), Measurement Facilities, Condensate handling facilities, pig receiving facilities, slug catchers and other inlet facilities at Processing Plants, rights of way, fee parcels, surface rights, and permits, and all appurtenant facilities.

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

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

Governmental Authority. Any federal, state, local, municipal, tribal or other government; any governmental, regulatory or administrative agency, commission, body or other

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authority exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power; and any court or governmental tribunal, including any tribal authority having or asserting jurisdiction.

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

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

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

Imbalance. As defined in Section 9.3.

Index Price. For Gas produced from the Marcellus formation in West Virginia, the "Midpoint Average" price published in Platt's Gas Daily Price Guide for "Columbia Gas/Appalachia". For Gas produced from the Utica formation in Ohio, the "Midpoint

Average” price published in Platt’s Gas Daily Price Guide for “Texas Eastern M-2 Receipts”. For other Gas production, an index price determined by Shipper and reasonably acceptable to Gatherer based on where such Gas production is being sold, or, if no appropriate index is available, a price based on a netback calculation determined by Shipper and reasonably acceptable to Gatherer.

Initial Dedication Area. The states of Pennsylvania, West Virginia, and Ohio.

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

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

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

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

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

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

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

Maintenance. As defined in Section 7.2.

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

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

Minimum Compression Revenue Commitment. For each Contract Year with respect to which there is a Minimum Compression Volume Commitment, the Minimum Compression Volume Commitment for such Contract Year multiplied by the Compression Fee in effect for such Contract Year. For the avoidance of doubt, for Contract Years for which there is no Minimum Compression Volume Commitment, there is also no Minimum Compression Revenue Commitment.

Minimum Compression Revenue Credit Amount. For each Contract Year with respect to which there is a Minimum Compression Volume Commitment, the product of the Compression Fee in effect for such Contract Year multiplied by the aggregate of the volumes of Dedicated Production, stated in Mcf, delivered or Made Available for Delivery at each System Compressor Station during such Contract Year.

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

Minimum High Pressure Revenue Commitment. For each Contract Year with respect to which there is a Minimum High Pressure Volume Commitment, the Minimum High Pressure

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Volume Commitment for such Contract Year multiplied by the High Pressure Gathering Fee in effect for such Contract Year. For the avoidance of doubt, for Contract Years for which there is no Minimum High Pressure Volume Commitment, there is also no Minimum

High Pressure Revenue Commitment.

Minimum High Pressure Revenue Credit Amount. For each Contract Year with respect to which there is a Minimum High Pressure Volume Commitment, the product of the High Pressure Gathering Fee in effect for such Contract Year multiplied by the aggregate of the volumes of Dedicated Production, stated in Mcf, delivered or Made Available for Delivery at each System High Pressure Line during such Contract Year.

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

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

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

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

Month. A period commencing at 10:00 a.m., Eastern Standard Time, on the first Day of a calendar month and extending until 10:00 a.m., Eastern Standard Time, on the first Day of the next succeeding calendar month. **Monthly** shall have the correlative meaning.

Oil and Gas Interests. Oil and gas leasehold interests and oil and gas mineral fee interests, including working interests, overriding royalty interests, net profits interests, carried interests, and similar rights and interests.

Parties. As defined in the preamble of this Agreement.

Party. As defined in the preamble of this Agreement.

Person. An individual, a corporation, a partnership, a limited partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization, or any other entity or organization, including a Governmental Authority.

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

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

Production. Gas and/or Liquid Hydrocarbons.

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

Proposal Notice. As defined in Section 2.5(c).

psia. Pounds per square inch, absolute.

psig. Pounds per square inch, gauge.

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

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

Request for Proposal. As defined in Section 2.5(c).

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

Required High Pressure Lines. As defined in Section 3.5.

Services. As defined in Section 3.1.

Shipper. As defined in the preamble of this Agreement.

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

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

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

System High Pressure Line. As defined in Section 3.5.

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

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

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

Taxes. All gross production, severance, conservation, ad valorem and similar or other taxes measured by or based upon production, together with all taxes on the right or privilege of ownership of Production, or upon the Services, including gathering, transportation, handling, transmission, compression, processing, treating, conditioning, distribution, sale, use, receipt, delivery or redelivery of Production, including all of the foregoing now existing or in the future imposed or promulgated.

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

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

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

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

ARTICLE 2 SHIPPER COMMITMENTS

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

Section 2.2 Conflicting Dedications. Shipper shall have the right to comply with each of the Conflicting Dedications set forth in Exhibit E hereto and any other Conflicting Dedication entered into by a non-Affiliated predecessor-in-interest to Shipper that is applicable as of the date of acquisition thereof to any Dedicated Property acquired

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

Section 2.3 Shipper's Reservations. Shipper reserves the following rights with respect to Dedicated Production for itself and for the operator of the relevant Dedicated Properties: (a) to operate Wells producing Dedicated Production as a reasonably prudent

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

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

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

Section 2.5 Additional Oil and Gas Interests or Gathering Facilities.

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

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Day, Gatherer shall be deemed to have waived its right to acquire such gathering facilities and provide such services, and Shipper shall have the right to contract with such third party gatherer to acquire such facilities and to provide such services on such terms and conditions and to dedicate to such gatherer all Oil and Gas Interests owned by Shipper the Gas from which is being gathered by such gathering facilities as well as the area (including all geological strata and production zones) within two miles of any such Oil and Gas Interest. If Gatherer elects to acquire such gathering facilities, the closing of Gatherer's purchase of such gathering facilities from Shipper

shall take place as soon as reasonably practicable following Gatherer's exercise of its right to acquire such gathering facilities. From and after the closing of such purchase by Gatherer, all Oil and Gas Interests owned by Shipper the Gas from which is being gathered by such gathering facilities shall be Dedicated Properties, the area (including all geological strata and production zones) within two miles of any such Dedicated Property shall become part of the Dedication Area, and such gathering facilities shall be deemed to be part of the Gathering System. In any transaction in which Shipper so acquires gathering facilities, Shipper shall use reasonable efforts to cause the transaction documents for such acquisition to state a separate purchase price (and separately state any assumed liabilities) for such gathering facilities. If notwithstanding such reasonable efforts the transaction documents for such acquisition do not state a separate purchase price, the purchase price to be paid by Gatherer to Shipper for such gathering facilities shall be equal to the Fair Market Value of such gathering facilities, and Gatherer shall assume all liabilities in respect of such gathering facilities to the extent arising from the ownership and operation of such gathering facilities and/or any occurrence from and after the closing of the purchase of such gathering facilities by Gatherer.

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

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

(c) If at any time Shipper desires Services consisting of gathering Liquid Hydrocarbons from any Oil and Gas Interests of Shipper the Production from which has not already become Dedicated Production pursuant to this [Section 2.5\(c\)](#), including any such Services to be provided through any existing facilities acquired or being acquired by Shipper ("**Acquired Facilities**"), Shipper shall, by notice to Gatherer, request from Gatherer a proposal to provide such Services on the terms set forth in this Agreement (such notice, a "**Request for Proposal**"). Each Request for Proposal shall (i) specify the Oil and Gas Interests from which such Liquid Hydrocarbons would be gathered, (ii) specify the proposed Delivery Points to which such Liquid Hydrocarbons would be delivered, (iii) in the case of Acquired Facilities, provide a reasonable description of such Acquired Facilities and the price paid or proposed to be paid by Shipper for the Acquired Facilities, including any liabilities assumed by Shipper, and details of any third-party contracts for Liquid Hydrocarbons gathering on such Acquired Facilities, and (iv) a proposed update to the Development Plan for the Wells to be drilled on such Oil and Gas Interests from which such Liquid Hydrocarbons would be gathered during the period of at least 18 Months after the Request for Proposal, including production forecasts for all such Wells. Gatherer shall have the right, to be exercised by notice to Shipper on or before the 60th Day after the Request for Proposal (such notice, a "**Proposal Notice**"), make a proposal to provide such Services for the Liquid Hydrocarbons gathering fees set forth in such Proposal Notice and otherwise on the terms and conditions set forth in this Agreement. Concurrently with or following its Request for Proposal to Gatherer, Shipper may seek proposals from third parties to provide such Services on the terms and conditions set forth in this Agreement. On or before the 60th Day after a Request for Proposal with respect to which Gatherer has given a Proposal Notice, Shipper shall inform Gatherer that (1) it is accepting Gatherer's Proposal Notice, (2) it is accepting a proposal from a third party for such Services on the basis that the gathering fees proposed by such third party for providing such Services on the terms and conditions set forth in this Agreement were lower than the gathering fees proposed by Gatherer, or (3) it has elected not to acquire such Services or to carry out such Services itself and is accordingly withdrawing its Request for Proposal. If Gatherer's proposal is accepted, Gatherer shall, as applicable, (A) construct and operate such facilities so as to provide such Services on the terms and conditions set forth in this Agreement such that it commences the performance of such Services within 18 Months after the date of Shipper's Request for Proposal and/or (B) as soon as reasonably practicable accept the transfer from Shipper of any Acquired Facilities and commence providing Services through such Acquired Facilities. If Gatherer's proposal is accepted, all Liquid

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Hydrocarbons Production from the Oil and Gas Interests referred to in Shipper's Request for Proposal or from any other Oil and Gas Interests at any time owned by Shipper (in each case including all geological strata and production zones) within two miles of any such Oil and Gas Interests shall become Dedicated Production, such gathering facilities as they are constructed and/or such Acquired Facilities, as applicable, shall be deemed to be part of the Gathering System, and the proposed Development Plan update included in Shipper's notice shall become part of the Development Plan. If a third party proposal is accepted as provided above or if Gatherer does not deliver a Proposal Notice, Gatherer shall be deemed to have waived its right under this Section 2.5(c) to provide the requested Services, and Shipper shall have the right to contract with such third party to provide such Services to Shipper on the terms and conditions set forth in this Agreement for the fees set forth in such third party's proposal, including if applicable the transfer of any Acquired Facilities to such third party, and Shipper shall have the right to dedicate to such third party all Liquid Hydrocarbons Production from the Oil and Gas Interests referred to in Shipper's Request for Proposal and from any other Oil and Gas Interests at any time owned by Shipper (in each case including all geological strata and production zones) within two miles of any such Oil and Gas Interest described in such notice as well as the area. If Shipper does not enter into an agreement with a third party in accordance with this Section 2.5(c) on or before the 90th Day after Shipper's Request for Proposal, the Services that were the subject of such Request for Proposal shall again become subject to this Section 2.5(c). In respect of any Acquired Facilities, Shipper shall use reasonable efforts to cause the transaction documents for the acquisition thereof to state a separate purchase price (and separately state any assumed liabilities) for such Acquired Facilities. If, pursuant to this Section 2.5(c), Gatherer is to acquire from Shipper any Acquired Facilities, such acquisition shall be made at the same price at which such Acquired Facilities were acquired by Shipper, including the assumption of any liabilities with respect thereto assumed by Shipper. If the transaction documents for Shipper's acquisition of such Acquired Facilities did not state a separate purchase price for such Acquired Facilities, the purchase price to be paid by Gatherer to Shipper for the Acquired Facilities shall be equal to the Fair Market Value of the Acquired Facilities, and Gatherer shall assume all liabilities in respect of the Acquired Facilities to the extent arising from the ownership and operation of the Acquired Facilities and/or any occurrence from and after the closing of the purchase of the Acquired Facilities by Gatherer.

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

ARTICLE 3 SERVICES; GATHERING SYSTEM EXPANSION AND CONNECTION OF WELLS

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

(a) receive, or cause to be received, into the Gathering System, from or for the account of Shipper, at each Receipt Point, all Dedicated Production tendered by Shipper;

(b) compress and dehydrate Dedicated Gas received into the Gathering System at the System Compressor Stations;

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(c) deliver, or cause to be delivered, to or for the account of Shipper, at the nominated Delivery Point for Gas, Delivery Point Gas allocated to Shipper; and

(d) to the extent that the Gatherer is providing Liquid Hydrocarbon gathering pursuant to Section 2.5(c), make available for delivery, to or for the account of Shipper, at each Delivery Point for Liquid Hydrocarbons, the Liquid Hydrocarbons received into the Gathering System and gathered to or delivered into storage tanks at such Delivery Point allocated to Shipper in accordance with Section 6.4.

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

(a) The Initial Development Plan describes the planned development, drilling, and production activities relating to the Dedicated Properties through the date that is 18 months after the Effective Date (such plan, as updated as hereinafter provided, and including any proposed development plan that becomes part of the Development Plan pursuant to Section 2.5(b), the "**Development Plan**"). Following the Effective Date, Shipper shall provide Gatherer an updated Development Plan describing the planned development, drilling, and production activities relating to the Dedicated Properties for the 18-Month period commencing on the date of such updated Development Plan on or before the last Day of each Month. Each Development Plan will include (i) information as to the Wells that Shipper expects will be drilled during such period (each such Well reflected in a Development Plan, a "**Planned Well**"), information as to each Well Pad expected to be constructed during such period (each such Well Pad reflected in a Development Plan, a "**Planned Well Pad**") and the approximate locations thereof, the earliest date on which one or more Wells at each such Well Pad are expected to be completed, and the Delivery Points at which Gas produced from such Wells is to be redelivered to Shipper and (ii) good faith and reasonable production forecasts for all Wells connected as of, and estimated to be connected to the Gathering System during the 18-Month period following, the date of such Development Plan (to the extent not previously provided or, if earlier provided, as revised in Shipper's good faith estimation). Shipper shall make its representatives available to discuss the Development Plan from time to time with Gatherer and its representatives, in order to facilitate advance planning for expansion or improvement of the Gathering System and to address other matters relating to the construction and installation of additions to the Gathering System. Shipper may provide updated or amended Development Plans to Gatherer at any time and shall provide its then-current Development Plan to Gatherer from time to time on or prior to the fifth (5th) Business Day after Gatherer's request therefor.

(b) Attached hereto as Exhibit F is a Gathering System plan describing and/or depicting the Gathering System, including all pipelines, all Receipt Points and Delivery Points, and all compression and dehydration facilities and other major physical facilities, together with their locations, sizes and other physical specifications, operating parameters, capacities, and other relevant

specifications, and together with a schedule for completing the construction and installation of the planned portions thereof, in each case as currently in existence, under construction, or planned (such plan, as updated as hereinafter provided, the “**Gathering System Plan**”). Based on the Development Plans and such other information about the expected development of the Dedicated Properties as shall be provided to Gatherer by or on behalf of Shipper, Gatherer shall periodically update the Gathering System

Plan. Without limiting the generality of the foregoing, Gatherer shall ensure that the Gathering System Plan reflects each Monthly Development Plan not later than 30 Days after such Development Plan is delivered. Gatherer shall make the Gathering System Plan available for inspection by Shipper and its representatives from time to time and shall make representatives of Gatherer available to discuss the Gathering System Plan from time to time with Shipper and its representatives. Gatherer shall provide Shipper updates not less frequently than monthly on the progress of work on all facilities necessary to connect Planned Wells to the Gathering System and to connect the Gathering System to the Delivery Points as set forth in the then-current Gathering System Plan.

(c) The Parties recognize that the plans for the development of the Dedicated Properties set forth in the Development Plans, as well as all information provided by Shipper to Gatherer regarding its intentions with respect to the development of the Dedicated Properties, are subject to change and revision at any time at the discretion of Shipper, and that such changes may impact the timing, configuration, and scope of the planned activities of Gatherer. The exchange of such information and any changes thereto shall not give rise to any rights or liabilities as between the Parties except as expressly set forth in this Agreement, and Gatherer shall determine at its own risk the time at which it begins to work on and incur costs in connection with particular Gathering System expansion projects, including the acquisition of rights of way, equipment, and materials. Without limiting the generality of the foregoing, Shipper has no obligation to Gatherer under this Agreement to develop or produce any hydrocarbons from the Dedicated Properties or to pursue or complete any drilling or development on the Dedicated Properties, whether or not envisioned in the Development Plan.

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

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

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

(c) Gatherer shall be obligated to connect Wells at a particular Well Pad to the Gathering System only if Gatherer has received from Shipper a notice in the form of Exhibit G hereto (or in such form as Shipper and Gatherer shall otherwise agree from time to time) stating that Shipper intends to drill and complete such Wells at such Well Pad (a “**Connection Notice**”) and setting forth the target completion date for drilling and completion of such Wells (the “**Target Completion Date**”), and the expected production from such Well Pad over the next eighteen (18) months. Following receipt of a Connection Notice, Gatherer shall cause the necessary facilities to be constructed to connect the Planned Wells referred to in such Connection Notice to the Gathering System and to commence the Services with respect to Dedicated Production produced from such Planned Wells. Such facilities shall be available to receive Dedicated Production from Planned Wells on the Planned Well Pad on which such Planned Wells are to be located as soon as reasonably practicable following the Connection Notice and in any event on or before the later to occur of (1) the Target Completion Date with respect to such Planned Well Pad, (2) the date that is 180 Days after the Connection Notice, and (3) the date on which the initial Planned Well(s) at such Planned Well Pad has reached its projected depth and is ready for completion (the later of such dates, with respect to such Planned Well Pad, the “**Completion Deadline**”). Gatherer shall provide Shipper notice promptly upon Gatherer’s becoming aware of any reason to believe that it may not be able to connect a Planned Well Pad to the Gathering System by the Target Completion Date therefor or to otherwise complete all facilities necessary to provide the full scope of Services with respect to all Dedicated Production from Wells on such Planned Well Pad by the Target Completion Date therefor. If and to the extent Gatherer is delayed in completing and making available such facilities by a Force Majeure event or any action of Shipper that is inconsistent with the cooperation requirements of Section 3.9, then the Completion Deadline for such connection shall be extended for a period of time equal to that during which Gatherer’s completion and making available of such facilities was delayed by such events or actions. If such facilities are not completed and made available by the Completion Deadline, as Shipper’s sole and exclusive remedies for such delay,

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

(ii) Shipper shall have the right to complete the procurement, construction and/or installation of any rights or facilities necessary to connect the relevant Planned Well Pad to the Gathering System, to connect the Gathering System to the

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

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

(d) If the actual completion of the initial Planned Well at a particular Planned Well Pad is delayed more than 30 Days after the Target Completion Date for such Planned Well Pad and the Gathering System is connected to such Planned Well Pad and available to commence providing the Services with respect to all Dedicated Production from such Planned Well prior to the date such initial Planned Well has reached its projected depth and is ready for completion, Gatherer shall be entitled to a fee equal to interest per annum at the Wall Street Journal prime rate on the incremental cost and expense incurred by Gatherer to procure, construct and install the relevant rights and facilities to connect to such Planned Well Pad and to cause such facilities to be available to commence providing Services thereto for the number of Days after the Target Completion Date until the Day that the first Well at such Planned Well Pad is completed; provided, however, that if such first Well has not been completed by the date that is six months after the Target Completion Date for such Well or, as of an earlier date, Shipper notifies Gatherer that it has elected not to complete any Planned Wells at such Planned Well Pad, Shipper shall pay to Gatherer an amount equal to 115% of all reasonable incremental costs and expenses incurred by Gatherer in procuring, constructing and installing such rights and facilities to connect the Gathering System to such Planned Well Pad and to cause such facilities to be available to commence providing Services thereto, and Gatherer shall assign, transfer, and deliver to Shipper all rights and facilities (including equipment, materials, work in progress, and completed construction) the costs and expenses of which have so been paid by Shipper, to Shipper. If Shipper so pays Gatherer and later completes a Well at such Planned Well Pad, or if such facilities are later used to connect a completed Well at a different Planned Well Pad or for a third party, Gatherer shall refund to Shipper such amount paid by Shipper, and Shipper shall retransfer such rights and facilities to Gatherer.

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

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

foregoing, Gatherer shall connect each Well to the Gathering System such that Gas from such Well can be redelivered to the Delivery Point described in the Development Plan.

Section 3.4 Compression.

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

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

Section 3.5 High Pressure Services. The Gathering System Plan will describe the High Pressure gathering pipelines that Gatherer determines are necessary or appropriate to connect the Gathering System to the Gas Delivery Points required by Shipper and to redeliver the volumes of Dedicated Gas to be redelivered at such Delivery Points in the most efficient manner ("Required High Pressure Lines"). Gatherer shall install each such Required High

Pressure Line, together with the associated Required Compressor Stations, as directed by Shipper and shall operate and maintain each Required High Pressure Line (each such Required High Pressure Line so installed by Gatherer, a "System High Pressure Line"). Notwithstanding the foregoing, Gatherer shall not be obligated to install any Required High Pressure Line during the ten year period immediately prior to the scheduled termination of this Agreement unless Shipper agrees either that this Agreement shall remain in effect beyond the scheduled termination thereof as to such Required High Pressure Line only and the Minimum High Pressure Revenue Commitment with respect thereto until the 10th anniversary of the placement in service of such Required High Pressure Line. To the extent that Shipper does not direct Gatherer to install any Required High Pressure Line as, when, and where described in the Gathering System Plan and as a consequence the Gathering System is not capable of operating in accordance with the obligations of Gatherer with respect to pressures that are set forth in Sections 8.1 and 8.2, Gatherer shall be relieved from such obligations. For the avoidance of doubt, Gatherer shall have the right at any time to add additional High Pressure gathering pipelines to the Gathering System as it deems necessary or appropriate to provide the Services and such services as it is providing in respect of Third Party Production. Shipper must pay the High Pressure Gathering Fee with respect to all its Gas that is gathered through such additional High Pressure gathering pipelines, but such additional High Pressure Gathering Pipelines shall not be included for purposes of calculating the Minimum High Pressure Volume Commitment, and the High Pressure Gathering Fee paid by Gatherer for its Gas gathered through such additional High Pressure gathering pipelines shall not count toward the Minimum High Revenue Commitment.

Section 3.6 Liquids Gathering. If Gatherer provides Liquid Hydrocarbons gathering pursuant to Section 2.5(c), Shipper is responsible for the construction, ownership, and operation of (a) all facilities for the separation and/or collection of Liquid Hydrocarbons at the wellhead and the Well site storage of such liquids and (b) the pumps located at each Receipt Point to transfer Liquid Hydrocarbons from such storage into the Gathering System. Shipper shall ensure that pumps have sufficient capacity and are operated in a manner sufficient to cause the Liquid Hydrocarbons received into the Gathering System to be redelivered into the tanks located at the Liquid Hydrocarbons Delivery Points. Shipper shall cause Liquid Hydrocarbons to be received into the Gathering System at reasonably uniform rates of flow and to provide Gatherer reasonable notice of material increases or decreases in such rates of flow.

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

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

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

Section 3.9 Cooperation. Because of the interrelated nature of the actions of the Parties required to obtain the necessary

permits and authorizations from the appropriate Governmental Authorities and the necessary consents, rights of way and other authorizations from other Persons necessary to drill and complete each Planned Well and construct the required extensions of the Gathering System to each Planned Well Pad, the Parties agree to work together in good faith to obtain such permits, authorizations, consents and rights of way as expeditiously as reasonably practicable, all as provided herein. The Parties further agree to cooperate with each other and to communicate regularly regarding their efforts to obtain such permits, authorizations, consents and rights of way.

ARTICLE 4 TERM

Section 4.1 Term. This Agreement shall become effective on the Effective Date and, unless terminated earlier by mutual agreement of the Parties, shall continue in effect until the twentieth (20th) anniversary of the Effective Date and from year to year thereafter (with the initial term of this Agreement deemed extended for each of any such additional year) until such time as this Agreement is terminated, effective upon an anniversary of the Effective Date, by notice from either Party to the other Party on or before the one hundred eightieth (180th) Day prior to such anniversary.

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ARTICLE 5 FEES AND CONSIDERATION

Section 5.1 Fees.

(a) Subject to the other provisions of this Agreement, including Section 5.1(d), Shipper shall pay Gatherer each Month in accordance with the terms of this Agreement, for all Services provided by Gatherer during such Month, an amount equal to the sum of the following:

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

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

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

(iv) If Gatherer is providing Liquid Hydrocarbons gathering Services pursuant to Section 2.5(c) the product of (A) the aggregate volume of Liquid Hydrocarbons, stated in Barrels, received from Shipper or for Shipper's account entering the Gathering System during such Month multiplied by (B) the fee for such Services stated in Gatherer's Proposal Notice (as may be increased or decreased in accordance with Section 5.1(b), the "**Liquids Gathering Fee**").

(b) After each of the first five (5) Contract Years, one hundred percent (100%), and after the sixth (6th) Contract Year and each Contract Year thereafter, fifty-five percent (55%), of the Gathering Fee, High Pressure Gathering Fee, Compression Fee, and Liquids Gathering Fee shall be adjusted up or down on an annual basis in proportion to the percentage change, from the preceding year, in the All Items Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, 1982-84 = 100, as published by the United States Department of Labor, Bureau of Labor Statistics ("**CPI**"). Such adjustment shall be made effective upon the first Day of each Contract Year commencing in the Contract Year beginning in 2014, and shall reflect the percentage change in the CPI as it existed for June of the preceding Contract Year from the CPI for the second immediately preceding June; *provided, however*, that the Gathering Fee, High Pressure Gathering Fee, Compression Fee, and Liquids Gathering Fee shall never be less than the initial fees stated in Section 5.1(a); nor shall such fees be increased or decreased by more than 3% in any given Contract Year.

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

(d) Notwithstanding the foregoing provisions of this Section 5.1:

(i) If, with respect to any Contract Year with respect to which there is a Minimum High Pressure Revenue Commitment, the Minimum High Pressure Revenue Commitment with respect to such Contract Year exceeds the Minimum High Pressure Revenue Credit Amount for such Contract Year, then Shipper shall pay to Gatherer, on or before the 30th Day after receipt of Gatherer's invoice therefor (which shall be delivered not more than sixty (60) Days after the end of the relevant Contract Year), an amount equal to such excess.

(ii) If, with respect to any Contract Year with respect to which there is a Minimum Compression Revenue

Commitment, the Minimum Compression Revenue Commitment with respect to such Contract Year exceeds the Minimum Compression Revenue Credit Amount for such Contract Year, then Shipper shall pay to Gatherer, on or before the 30th Day after receipt of Gatherer's invoice therefor (which shall be delivered not more than sixty (60) Days after the end of the relevant Contract Year), an amount equal to such excess.

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

Services specified in such notice may be of any scope determined by Gatherer in its sole discretion and may include all eligible Services or any part thereof and may include, by way of example only, gathering Services with respect to a particular Well or group of Wells, compression Services and/or High Pressure Services with respect to a particular System Compressor Station and/or System High Pressure Line, all Services of a particular type, and any other subset of the Services determined by Gatherer, in each case subject to the foregoing sentence. All Services provided from time to time on a cost of service basis shall be bundled together for purposes of calculating a single Monthly cost of service fee (the "*Cost of Service Fee*"), which shall be calculated with respect to each Contract Year as set forth in Exhibit I attached hereto.

ARTICLE 6 ALLOCATIONS

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

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

Section 6.3 Allocation of Condensate Recovered from the Gathering System. Gatherer shall allocate the volume of Condensate collected from any System Segment (or from facilities at compressor stations downstream of System Delivery Points on such System Segment and allocated to the Gathering System by the operator of such compressor station) to each System Receipt Point on such System Segment during the applicable Month based on a fraction, the numerator of which is the theoretical volume of Condensate attributable to such System Receipt Point during such Month and the denominator of which is the total theoretical volume of Condensate for all such System Receipt Points on such System Segment during such Month. The theoretical volume of Condensate at each System Receipt Point shall be determined by

multiplying the total volume of Gas (in Mcf) received at the applicable System Receipt Point during the applicable Month by the Gallons per Mcf of pentanes and heavier components in such Gas determined at the relevant System Receipt Point on such System Segment.

Section 6.4 Allocation of Liquid Hydrocarbons.

(a) Subject to Section 6.4(b), if Gatherer is providing Liquid Hydrocarbons gathering pursuant to Section 2.5(c), Gatherer shall allocate the volume of Liquid Hydrocarbons gathered to or delivered into storage tanks at each Delivery Point to each System Receipt Point upstream of such Delivery Point during the applicable Month based on a fraction, the numerator of which is the volume of Liquid Hydrocarbons received at such System Receipt Point and the denominator of which is the total volumes of Liquid Hydrocarbons received at all such System Receipt Points during such Month.

(b) If Gatherer is providing Liquid Hydrocarbons gathering pursuant to Section 2.5(c), Gatherer shall not commingle Shipper's Liquid Hydrocarbons received at the Receipt Points with Liquid Hydrocarbons constituting Third Party Production if the resulting commingled stream would have a market value that is materially less than the market value a stream composed solely of Shipper's Liquid Hydrocarbons would have, unless Gatherer has provided by notice to Shipper a written allocation methodology that ensures that Shipper is allocated a portion of the commingled stream that would enable it to realize a market value that reasonably approximates the market value of such stream composed solely of Shipper's Liquid Hydrocarbons. From and after the delivery of such notice, Gatherer shall have the right to commingle such Liquid Hydrocarbons and shall apply such allocation methodology to such commingled stream.

ARTICLE 7
CERTAIN RIGHTS AND OBLIGATIONS OF PARTIES

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

Section 7.2 Maintenance. Gatherer shall be entitled, without liability, to interrupt its performance hereunder to perform necessary or desirable inspections, pigging, maintenance, testing, alterations, modifications, expansions, connections, repairs or replacements to its facilities as Gatherer deems necessary ("**Maintenance**"), with reasonable notice provided to Shipper, except in cases of emergency where such notice is impracticable or in cases where the operations of Shipper will not be affected. Before the beginning of each calendar year, Gatherer shall provide Shipper in writing with a projected schedule of the Maintenance to be performed during the year and the anticipated date of such Maintenance. On or before the 10th Day before the end of each Month, Gatherer shall provide Shipper with its projected maintenance schedule for the following Month.

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

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

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

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

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

ARTICLE 8
PRESSURES AT RECEIPT POINTS AND DELIVERY POINTS

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

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

Section 8.3 Shipper Facilities. Shipper, at its own expense, shall construct, equip, maintain, and operate all facilities

(including separation, line heaters, and/or compression equipment) necessary to deliver Dedicated Production to Gatherer at the Receipt Points. Shipper

shall install and maintain sufficient pressure regulating equipment upstream of the Receipt Points in order to keep the pressure of the Gas delivered to Gatherer at the Receipt Points from exceeding the maximum allowable operating pressure at the applicable Receipt Point. Gatherer shall design the Gas Gathering System to ANSI 300 standards or higher such that the maximum allowable operating pressure at each Receipt Point shall be not less than 740 psig.

ARTICLE 9 NOMINATION AND BALANCING

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

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

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

ARTICLE 10 QUALITY

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

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

- (b) The total of all non-hydrocarbon gases shall not exceed three percent (3%) by volume.
- (c) The temperature of the Gas at the Receipt Point shall not be in excess of one hundred twenty (120) degrees Fahrenheit.
- (d) The Gas shall be free of solids, sand, salt, dust, gums, crude oil, and hydrocarbons in the liquid phase, and other objectionable substances which may be injurious to pipelines or which may interfere with the measurement, transmission or commercial utilization of said Gas.

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

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

consultants, representatives, and invitees harmless from and against, all claims and losses of whatever kind and nature resulting from such non-conforming Gas.

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

Section 10.4 Liquid Hydrocarbons Quality Requirements. Liquid Hydrocarbons delivered by Shipper to the Receipt Points shall have gravity, viscosity, and other properties such that it is readily susceptible to gathering and handling through Gatherer's existing facilities and such that it will not adversely affect the quality of Liquid Hydrocarbons received from other shippers or cause any material disadvantage to other shippers or Gatherer. If any Liquid Hydrocarbons delivered by Shipper fails at any time to conform to the foregoing requirements, then Gatherer will have the right to immediately discontinue receipt of such non-conforming Liquid Hydrocarbons so long as such Liquid Hydrocarbons continues to be non-conforming. Shipper agrees to undertake commercially reasonable measures to eliminate the cause of such

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non-conformance. Gatherer shall ensure that the Liquid Hydrocarbons of other shippers are also required to meet the foregoing standards.

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

ARTICLE 11 MEASUREMENT EQUIPMENT AND PROCEDURES

Section 11.1 Equipment. Gatherer shall install, own, operate, and maintain Measurement Facilities to measure Production at all the System Receipt Points and shall ensure that the relevant Downstream Pipeline or Processing Plant installs, owns, operates, and maintains Measurement Facilities at the System Delivery Points (but downstream of any slug catcher) for Gas. Measurement Facilities at the Receipt Points shall meet current industry standards for custody transfer measurement. Shipper shall have the right to install check Measurement Facilities at each Receipt Point, including the right to install check measurement equipment on Gatherer's meter tubes and orifice unions.

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

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

(b) Where measurement is by ultrasonic meter, all fundamental constants, observations, records, and procedures involved in the determination and/or verification of the quantity and other characteristics of the Gas delivered hereunder shall be in accordance with the standards prescribed in the latest edition of A.G.A. Report No. 9 "Measurement of Gas by Multi

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Path Ultrasonic Meters" with any revisions, amendments or supplements as may be mutually acceptable to the Parties.

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

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

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

(b) The quality and gravity of Liquid Hydrocarbons shall be determined from laboratory analyses of

representative samples following the calculation procedures in American Petroleum Institute Manual of Petroleum Measurement Standards or other applicable industry standards

Section 11.4 Gas Measurement.

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

(b) Gatherer's Measurement Facilities at the System Receipt Points shall be spot samplers, continuous samplers, or gas chromatographs, as Gatherer shall in its discretion determine, subject to the minimum requirements set forth in the following three sentences. Gatherer shall at least take monthly spot samples at all Measurement Facilities located at System Receipt Points where Gas is received into the Gathering System from a single Well. At all Measurement Facilities located at System Receipt Points where Gas is received into the System from more than one Well, Gatherer shall at least (i) take monthly spot samples if such Measurement Facilities measure less than five thousand (5,000) Mcf per Day, (ii) use continuous samplers if such Measurement Facilities measure from five thousand (5,000) to twenty thousand (20,000) Mcf per Day, and (iii) use gas chromatographs if such Measurement Facilities measure more than twenty thousand (20,000) Mcf per Day. Measurement at the System Delivery Points shall be done using continuous samplers (for Measurement Facilities metering less than twenty thousand (20,000) Mcf per Day) and online gas chromatographs (for Measurement Facilities metering twenty thousand (20,000) Mcf or more per Day). Gatherer shall procure or cause to be procured a sample of Gas at each System Delivery Point and analyze the samples by chromatographic analysis to determine the component content (mole percent), specific gravity, and the Thermal Content thereof. These determinations shall be made utilizing the following

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standards: (i) Gas Processors Association Obtaining Natural Gas Samples for Analysis by Gas, Publication No. 2166 as amended or supplemented from time to time and (ii) Gas Processors Association Analysis for Natural Gas and Similar Gaseous Mixtures by Gas Chromatography, Publication No. 2161 as amended or supplemented from time to time, or (iii) any other tests that are mutually agreed by Shipper and Gatherer.

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

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

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

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

Section 11.5 Notice of Measurement Facilities Inspection and Calibration. Each Party shall give reasonable notice to the other Party in order that the other Party may, at its option, have representatives present to observe any reading, inspecting, testing, calibrating or adjusting of Measurement Facilities used in measuring or checking the measurement of receipts or deliveries of Production under this Agreement. The official electronic data from such Measurement Facilities shall remain the property of the Measurement Facilities' owner, but copies of such records shall, upon written request, be submitted, together with calculations and flow computer configurations therefrom, to the requesting Party for inspection and verification.

Section 11.6 Measurement Accuracy Verification.

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

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

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(ii) quarterly for Gas Measurement Facilities metering between one thousand (1,000) and five thousand

(5,000) Mcf per Day;

- (iii) monthly for Gas Measurement Facilities metering more than five thousand (5,000) Mcf per Day; and
- (iv) quarterly for Liquid Hydrocarbons Measurement Facilities.

Neither Party shall be required to cause adjustment or calibration of such equipment more frequently than once per Month, unless a special test is requested pursuant to Section 11.7.

(b) If, during any test of the Measuring Facilities, an adjustment or calibration error is found which results in an incremental adjustment to the calculated flow rate through each meter run in excess of one percent (1%) of the adjusted flow rate (whether positive or negative and using the adjusted flow rate as the percent error equation denominator), then any previous recordings of such equipment shall be corrected to zero error for any period during which the error existed (and which is either known definitely or agreed to by the Parties) and the total flow for the period redetermined in accordance with the provisions of Section 11.8. If the period of error condition cannot be determined or agreed upon between the Parties, such correction shall be made over a period extending over the last one half of the time elapsed since the date of the prior test revealing the one percent (1%) error.

(c) If, during any test of any Measurement Facilities, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate which does not exceed one percent (1%) of the adjusted flow rate, all prior recordings and electronic flow computer data shall be considered to be accurate for quantity determination purpose.

Section 11.7 Special Tests. In the event a Party desires a special test (a test not scheduled by a Party under the provisions of Section 11.6) of any Measurement Facilities, seventy-two (72) hours advance notice shall be given to the other Party and both Parties shall cooperate to secure a prompt test of the accuracy of such equipment. If the Measurement Facilities tested are found to be within the range of accuracy set forth in Section 11.6(b), then the Party that requested the test shall pay the costs of such special test including any labor and transportation costs pertaining thereto. If the Measurement Facilities tested are found to be outside the range of accuracy set forth in Section 11.6(b), then the Party that owns such Measurement Facilities shall pay such costs and perform the corrections according to Section 11.8.

Section 11.8 Metered Flow Rates in Error. If, for any reason, any Measurement Facilities are (i) out of adjustment, (ii) out of service, or (iii) out of repair and the total calculated flow rate through each meter run is found to be in error by an amount of the magnitude described in Section 11.6, the total quantity of Production delivered shall be determined in accordance with the first of the following methods which is feasible:

- (a) By using the registration of any mutually agreeable check metering facility, if installed and accurately registering (subject to testing as provided for in Section 11.6);

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(b) Where multiple meter runs exist in series, by calculation using the registration of such meter run equipment; provided that they are measuring Production from upstream and downstream headers in common with the faulty metering equipment, are not controlled by separate regulators, and are accurately registering;

(c) By correcting the error by re-reading of the official charts, or by straightforward application of a correcting factor to the quantities recorded for the period (if the net percentage of error is ascertainable by calibration, tests or mathematical calculation); or

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

Section 11.9 Record Retention. The Party owning the Measurement Facilities shall retain and preserve all test data, charts, and similar records for any calendar year for a period of at least twenty-four (24) Months following the end of such calendar year unless applicable law or regulation requires a longer time period or the Party has received written notification of a dispute involving such records, in which case records shall be retained until the related issue is resolved.

Section 11.10 Access.

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

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

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

ARTICLE 12
NOTICES

Section 12.1 Notices. Unless otherwise provided herein, any notice, request, invoice, statement, or demand which either Party desires to serve upon the other regarding this Agreement shall be made in writing and shall be considered as delivered (i) when hand delivered, or (ii) when delivery is confirmed by pre-paid delivery service (such as FedEx, UPS, DHL or a similar delivery service), or (iii) if mailed by United States certified mail, postage prepaid, three (3) Business Days after mailing, or (iv) if sent by facsimile transmission, when receipt is confirmed by the equipment of the transmitting Party, or (v) when sent via email; provided, if sent by email after normal business hours or if receipt of a facsimile transmission is confirmed after normal business hours, receipt shall be deemed to be the next Business Day.

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Notwithstanding the foregoing, if a Party desires to serve upon the other a notice of default under this Agreement, or if Shipper desires to serve upon Gatherer a Connection Notice, the delivery of such notice shall be considered effective under this Section 12.1 only if delivered by any method set forth in items (i) through (iv) above. Any notice shall be given to the other Party at the following address, or to such other address as either Party shall designate by written notice to the other:

Shipper: ANTERO RESOURCES CORPORATION
1625 17th Street
Denver, Colorado 80202

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

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

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

Gatherer: ANTERO RESOURCES MIDSTREAM LLC
1625 17th Street
Denver, Colorado 80202

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

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

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

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ARTICLE 13
PAYMENTS

Section 13.1 Invoices. Not later than the tenth (10th) Day following the end of each Month, Gatherer shall provide Shipper with a detailed statement setting forth the volume and Thermal Content of Gas and, if applicable, the volume of Liquid Hydrocarbons received by Gatherer at the Receipt Points in such Month, the volume and Thermal Content of Delivery Point Gas allocated to Shipper and, if applicable, the volume of Liquid Hydrocarbons redelivered to Shipper in such Month, the quantity of Gas and the cost of electricity used as Fuel allocated to Shipper in such Month, the volume and Thermal Content of Lost and Unaccounted For Gas for such Month, and the Gathering Fee, the High Pressure Gathering Fee, the Compression Fee, the Liquids Gathering Fee, and the Cost of Service Fee with respect to such Month, together with measurement summaries and the amount of any Imbalances and all relevant supporting documentation, to the extent available on such tenth (10th) Day (with Gatherer being obligated to deliver any such supporting

documentation that is not available on such tenth (10th) Day as soon as it becomes available). Shipper shall make payment to Gatherer by the last Business Day of the Month in which such invoice is received. Such payment shall be made by wire transfer pursuant to wire transfer instructions delivered by Gatherer to Shipper in writing from time to time. If any overcharge or undercharge in any form whatsoever shall at any time be found and the invoice therefor has been paid, Gatherer shall refund any amount of overcharge, and Shipper shall pay any amount of undercharge, within thirty (30) Days after final determination thereof, provided, however, that no retroactive adjustment will be made beyond a period of twenty-four (24) Months from the date of a statement hereunder.

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

Section 13.3 Audit Rights. Either Party, on not less than thirty (30) Days prior written notice to the other Party, shall have the right at its expense, at reasonable times during normal business hours, but in no event more than twice in any period of twelve (12) consecutive Months, to audit the books and records of the other Party to the extent necessary to verify the accuracy of any statement, allocation, measurement, computation, charge, payment made under, or obligation or right pursuant to this Agreement. The scope of any audit shall be limited to transactions affecting Dedicated Production and Delivery Point Gas hereunder and shall be limited to the twenty-four (24) Month period immediately prior to the Month in which the notice requesting an audit was given. All statements, allocations, measurements, computations, charges, or payments made in any period prior to the twenty-four (24) Month period immediately prior to the Month in which the audit is requested shall be conclusively deemed true and correct and shall be final for all purposes.

Section 13.4 Payment Disputes. In the event of any dispute with respect to any payment hereunder, Shipper shall make timely payment of all undisputed amounts, and Gatherer and Shipper will use good faith efforts to resolve the disputed amounts within sixty (60) Days following the original due date. Any amounts subsequently resolved shall be due and payable within ten (10) Days of such resolution.

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Section 13.5 Interest on Late Payments. In the event that Shipper shall fail to make timely payment of any sums, except those contested in good faith or those in a good faith dispute, when due under this Agreement, interest will accrue at an annual rate equal to ten percent (10%) from the date payment is due until the date payment is made.

Section 13.6 Credit Assurance. Gatherer shall apply consistent evaluation practices to all similarly situated shippers to determine the new Shipper's financial ability to perform its payment obligations under this Agreement.

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

(i) an irrevocable standby letter of credit in an amount not to exceed an amount that is equal to sixty (60) Days of Shipper's payment obligations hereunder from a financial institution rated at least A- by S&P or at least A3 by Moody's in a form and substance satisfactory to Gatherer;

(ii) cash collateral in an amount not to exceed an amount that is equal to sixty (60) Days of Shipper's payment obligations hereunder to be deposited in an escrow account as designated by Gatherer; Gatherer is hereby granted a security interest in and right of set-off against all cash collateral, which is or may hereafter be delivered or otherwise transferred to such escrow account in connection with this Agreement; or

(iii) a guaranty in an amount not to exceed an amount that is equal to sixty (60) Days of Shipper's payment obligations hereunder reasonably acceptable to Gatherer.

(b) The term of any security provided under this Section 13.6 shall be as reasonably determined by Gatherer, but it shall never exceed sixty (60) Days, after which the security shall terminate (or in the case of cash collateral, be immediately returned by Gatherer to Shipper without further action by either Party). Nothing shall prohibit Gatherer, however, from requesting additional Adequate Assurance of Performance following the end of any such term, so long as the conditions triggering such a request under this Section 13.6 exist.

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

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Agreement) to suspend performance under this Agreement until such time as Shipper furnishes Adequate Assurance of Performance.

Section 13.7 Excused Performance. Gatherer will not be required to perform or continue to perform services hereunder,

and Shipper shall not be obligated to deliver Dedicated Production to the Gathering System (or make any payments required under Section 5.1(d)) in the event:

- (a) the other Party has voluntarily filed for bankruptcy protection under any chapter of the United States Bankruptcy Code;
- (b) the other Party is the subject of an involuntary petition of bankruptcy under any chapter of the United States Bankruptcy Code, and such involuntary petition has not been settled or otherwise dismissed within ninety (90) Days of such filing; or
- (c) the other Party otherwise becomes insolvent, whether by an inability to meet its debts as they come due in the ordinary course of business or because its liabilities exceed its assets on a balance sheet test; and/or however such insolvency may otherwise be evidenced.

ARTICLE 14 FORCE MAJEURE

Section 14.1 Suspension of Obligations. In the event a Party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement, other than the obligation to make payments then or thereafter due hereunder, and such Party promptly gives notice and reasonably full particulars of such Force Majeure in writing to the other Party promptly after the occurrence of the cause relied on, then the obligations of the Party giving such notice, so far as and to the extent that they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall so far as reasonably possible be remedied with all reasonable dispatch by the Party claiming Force Majeure.

Section 14.2 Definition of Force Majeure. The term “*Force Majeure*” as used in this Agreement shall mean any cause or causes not reasonably within the control of the Party claiming suspension and which, by the exercise of reasonable diligence, such Party is unable to prevent or overcome, including acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, acts of terror, sabotage, wars, blockades, military action, insurrections, riots, epidemics, landslides, subsidence, lightning, earthquakes, fires, storms or storm warnings, crevasses, floods, washouts, civil disturbances, explosions, breakage or accident to wells, machinery, equipment or lines of pipe, the necessity for testing or making repairs or alterations to wells, machinery, equipment or lines of pipe, freezing of wells, equipment or lines of pipe, inability of any Party hereto to obtain, after the exercise of reasonable diligence, necessary materials, supplies, or government authorizations, any action or restraint by any Governmental Authority (so long as the Party claiming suspension has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such action or restraint, and as long as such action or restraint is not the result of a failure by the claiming Party to comply

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with applicable laws, rules, regulations, or orders), and, in the case of Gatherer as the claiming party, any breach of any representation or warranty of Shipper or any failure by Shipper to perform any obligation of Shipper under that certain Contribution Agreement dated [], 2013, by and between Shipper and Gatherer.

Section 14.3 Settlement of Strikes and Lockouts. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the sole discretion of the Party having the difficulty.

Section 14.4 Payments for Gas Delivered. Notwithstanding the foregoing, it is specifically understood and agreed by the Parties that an event of Force Majeure will in no way affect or terminate Shipper’s obligation to make payment for quantities of Gas delivered prior to such event of Force Majeure.

ARTICLE 15 INDEMNIFICATION

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

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

ARTICLE 16 CUSTODY AND TITLE

Section 16.1 Custody. As among the Parties, Shipper shall be in custody, control and possession of (i) Shipper’s Production hereunder until such Production is delivered to the Receipt Points and (ii) the Delivery Point Gas and Liquid Hydrocarbons after they are delivered to Shipper at the Delivery Points, including any portion of any Delivery Point Gas which accumulates as liquids. As among the Parties, Gatherer shall be in custody, control and possession of all Production in the Gathering System at all other times, including any portion thereof which accumulates as liquids. The Party having custody and control of Production under the terms of this Agreement shall be responsible for, and shall defend, indemnify, release and hold the other Party and its Affiliates, directors, officers, employees, agents,

consultants, representatives, and invitees harmless from and against, all claims and losses of whatever kind and nature for anything that may happen or arise with respect to such Production when such Production is in its custody and control, including losses resulting from any negligent acts or

omissions of any indemnified party, but excluding any losses to the extent caused by or arising out of the negligence, gross negligence, or willful misconduct of the indemnified party.

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

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

ARTICLE 17 TAXES; ROYALTIES

Section 17.1 Taxes. Shipper shall pay or cause to be paid and agrees to hold Gatherer harmless as to the payment of all excise, gross production, severance, sales, occupation and all other Taxes, charges or impositions of every kind and character required by statute or by order of Governmental Authorities and levied against or with respect to Shipper's Production, Delivery Point Gas or the Services provided under this Agreement. Gatherer shall not become liable for such Taxes, unless designated to remit those Taxes on behalf of Shipper by any duly constituted jurisdictional agency having authority to impose such obligations on Gatherer, in which event the amount of such Taxes remitted on Shipper's behalf shall be (i) reimbursed by Shipper upon receipt of invoice, with corresponding documentation from Gatherer setting forth such payments, or (ii) deducted from amounts otherwise due Gatherer under this Agreement. Gatherer shall pay or cause to be paid all Taxes, charges and assessments of every kind and character required by statute or by order of Governmental Authorities with respect to the Gathering System. Except as provided in Exhibit I attached hereto, neither Party shall be responsible nor liable for any Taxes or other statutory charges levied or assessed against the facilities of the other Party, including ad valorem tax (however assessed), used for the purpose of carrying out the provisions of this Agreement or against the net worth or capital stock of such Party.

Section 17.2 Royalties. As between the Parties, Shipper shall have the sole and exclusive obligation and liability for the payment of all Persons due any proceeds derived from

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

ARTICLE 18 MISCELLANEOUS

Section 18.1 Rights. The failure of either Party to exercise any right granted hereunder shall not impair nor be deemed a waiver of that Party's privilege of exercising that right at any subsequent time or times.

Section 18.2 Applicable Laws. This Agreement is subject to all valid present and future laws, regulations, rules and orders of Governmental Authorities now or hereafter having jurisdiction over the Parties, this Agreement, or the services performed or the facilities utilized under this Agreement. The Parties hereby agree that, in the event that (i) Gatherer's facilities, or any part thereof, become subject to regulation by the Federal Energy Regulatory Commission, or any successor agency thereto ("**FERC**"), or any other Governmental Authority of the rates, terms and conditions for service, (ii) Gatherer becomes obligated by FERC or any other Governmental Authority to provide Services or any portion thereof on an open access, nondiscriminatory basis as a result of Gatherer's execution, performance or continued performance of this Agreement or (iii) FERC or any other Governmental Authority seeks to modify any rates under, or terms or conditions of, this Agreement, then:

(a) to the maximum extent permitted by law, it is the intent of the Parties that the rates and terms and conditions established by the FERC Governmental Authority having jurisdiction shall not alter the rates or terms and conditions set forth in this

Agreement, and the Parties agree to vigorously defend and support in good faith the enforceability of the rates and terms and conditions of this Agreement;

(b) in the event that FERC or the Governmental Authority having jurisdiction modifies the rates or terms and conditions set forth in this Agreement, the Parties hereby agree to negotiate in good faith to enter into such amendments to this Agreement and/or a separate arrangement in order to give effect, to the greatest extent possible, to the rates and other terms and conditions set forth herein; and

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

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Section 18.3 Governing Law; Jurisdiction.

(a) This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado without regard to choice of law principles.

(b) The Parties agree that the appropriate, exclusive and convenient forum for any disputes between the Parties arising out of this Agreement or the transactions contemplated hereby shall be in any state or federal court in City and County of Denver, Colorado, and each of the Parties irrevocably submits to the jurisdiction of such courts solely in respect of any proceeding arising out of or related to this Agreement. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Agreement or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts.

Section 18.4 Successors and Assigns.

(a) This Agreement shall extend to and inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. Except as set forth in Section 18.4(b) and Section 18.4(c), neither Party shall have the right to assign its respective rights and obligations in whole or in part under this Agreement without the prior written consent of the other Party (which such consent shall not be unreasonably withheld, conditioned or delayed), and any assignment or attempted assignment made otherwise than in accordance with this Section 18.4 shall be null and void *ab initio*.

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

(c) Notwithstanding the foregoing clause (a):

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

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(ii) Gatherer shall have the right to grant a security interest in this Agreement to a lender or other debt provider (or trustee or agent on behalf of such lender) of Gatherer.

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

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

Section 18.5 Severability. If any provision of this Agreement is determined to be void or unenforceable, in whole or in part, then (i) such provision shall be deemed inoperative to the extent it is deemed void or unenforceable, (ii) the Parties agree to enter into such amendments to this Agreement in order to give effect, to the greatest extent legally possible, to the provision that is determined to be void

or unenforceable and (iii) the other provisions of this Agreement in all other respects shall remain in full force and effect and binding and enforceable to the maximum extent permitted by law; provided, however, that in the event that a material term under this Agreement is so modified, the Parties will, timely and in good faith, negotiate to revise and amend this Agreement in a manner which preserves, as closely as possible, each Party's business and economic objectives as expressed by the Agreement prior to such modification.

Section 18.6 Confidentiality.

(a) Confidentiality. Except as otherwise provided in this Section 18.6, each Party agrees that it shall maintain all terms and conditions of this Agreement, and all information disclosed to it by the other Party or obtained by it in the performance of this Agreement and relating to the other Party's business (including Development Plans, Gathering System Plans, and all data relating to the production of Shipper, including well data, production volumes, volumes gathered, transported, or compressed, and gas quality) (collectively, "**Confidential Information**") in strictest confidence, and that it shall not cause or permit disclosure of this Agreement or its existence or any provisions contained herein without the express written consent of the other Party.

(b) Permitted Disclosures. Notwithstanding Section 18.6(a) disclosures of any Confidential Information may be made by either Party (i) to the extent necessary for such Party to enforce its rights hereunder against the other Party; (ii) to the extent to which a Party is required to disclose all or part of this Agreement by a statute or by the order or rule of a Governmental Authority exercising jurisdiction over the subject matter hereof, by order, by regulations, or by other compulsory process (including deposition, subpoena, interrogatory, or request for production of documents); (iii) to the extent required by the applicable regulations of

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a securities or commodities exchange; (iv) to a third person in connection with a proposed sale or other transfer of a Party's interest in this Agreement, provided such third person agrees in writing to be bound by the terms of this Section 18.6; (v) to its own directors, officers, employees, agents and representatives; (vi) to an Affiliate; (vii) to financial advisors, attorneys, and banks, provided that such Persons are subject to a confidentiality undertaking consistent with this Section 18.6(b), or (viii) except for information disclosed pursuant to Article 3 of this Agreement, to a royalty, overriding royalty, net profits or similar owner burdening Dedicated Production, provided such royalty, overriding royalty, net profits or similar owner, agrees in writing to be bound by the terms of this Section 18.6.

(c) Notification. If either Party is or becomes aware of a fact, obligation, or circumstance that has resulted or may result in a disclosure of any of the terms and conditions of this Agreement authorized by Section 18.6(b)(ii) or (iii), it shall so notify in writing the other Party promptly and shall provide documentation or an explanation of such disclosure as soon as it is available.

(d) Party Responsibility. Each Party shall be deemed solely responsible and liable for the actions of its directors, officers, employees, agents, representatives and Affiliates for maintaining the confidentiality commitments of this Section 18.6.

(e) Public Announcements. The Parties agree that prior to making any public announcement or statement with respect to this Agreement or the transaction represented herein permitted under this Section 18.6, the Party desiring to make such public announcement or statement shall provide the other Party with a copy of the proposed announcement or statement prior to the intended release date of such announcement. The other Party shall thereafter consult with the Party desiring to make the release, and the Parties shall exercise their reasonable best efforts to (i) agree upon the text of a joint public announcement or statement to be made by both such Parties or (ii) in the case of a statement to be made solely by one Party, obtain approval of the other Party to the text of a public announcement or statement. Nothing contained in this Section 18.6 shall be construed to require either Party to obtain approval of the other Party to disclose information with respect to this Agreement or the transaction represented herein to any Governmental Authority to the extent required by applicable law or necessary to comply with disclosure requirements of the Securities and Exchange Commission, New York Stock Exchange, or any other regulated stock exchange.

(f) Survival. The provisions of this Section 18.6 shall survive any expiration or termination of this Agreement; provided that other than with respect to information disclosed pursuant to Article 3, as to which such provisions shall survive indefinitely, such provisions shall survive only a period of one (1) year.

Section 18.7 Entire Agreement, Amendments and Waiver. This Agreement, including all exhibits hereto, integrates the entire understanding between the Parties with respect to the subject matter covered and supersedes all prior understandings, drafts, discussions, or statements, whether oral or in writing, expressed or implied, dealing with the same subject matter. This Agreement may not be amended or modified in any manner except by a written document signed by the Parties that expressly amends this Agreement. No waiver by either Party of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision

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hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly provided. No waiver shall be effective unless made in writing and signed by the Party to be charged with such waiver.

Section 18.8 Limitation of Liability. **NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES SUFFERED BY SUCH PARTY RESULTING FROM OR ARISING OUT OF THIS AGREEMENT OR THE BREACH THEREOF OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER TORT, NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT, WARRANTY, INDEMNITY OR OTHERWISE, INCLUDING LOSS OF USE, INCREASED COST OF OPERATIONS, LOSS OF PROFIT OR REVENUE, OR**

BUSINESS INTERRUPTIONS; PROVIDED, HOWEVER, THAT THE FOREGOING LIMITATION SHALL NOT APPLY TO ANY DAMAGE CLAIM ASSERTED BY OR AWARDED TO A THIRD PARTY FOR WHICH A PARTY WOULD OTHERWISE BE LIABLE UNDER ANY INDEMNIFICATION PROVISION SET FORTH HEREIN.

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

Section 18.10 Rights and Remedies. Except as otherwise provided in this Agreement, each Party reserves to itself all rights, counterclaims, other remedies and defenses that such Party is or may be entitled to arising from or out of this Agreement or as otherwise provided by law.

Section 18.11 No Partnership. Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture or impose a trust, fiduciary or partnership duty, obligation or liability on or with regard to either Party.

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

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

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Section 18.13 No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, and shall not inure to the benefit of any other Person whomsoever or whatsoever, it being the intention of the Parties that no third Person shall be deemed a third party beneficiary of this Agreement.

Section 18.14 Further Assurances. Each Party shall take such acts and execute and deliver such documents as may be reasonably required to effectuate the purposes of this Agreement.

Section 18.15 Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument.

Section 18.16 Memorandum of Agreement. Contemporaneously with the execution of this Agreement, the Parties shall execute, acknowledge, deliver and record a “short form” memorandum of this Agreement in the form of Exhibit J attached hereto (as modified, including by the addition of any required property descriptions, required by local law and practice to put such Memorandum of record and put third parties on notice of this Agreement), which shall be placed of record in each state and county in which the currently-existing Dedicated Properties are located. Further such memoranda shall be executed and delivered by Shipper as Gatherer from time to time requests to evidence the dedication of additional areas or Oil and Gas Interests under this Agreement.

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

ANTERO RESOURCES CORPORATION

By: _____
Name: _____
Title: _____

ANTERO RESOURCES MIDSTREAM LLC

By: _____
Name: _____
Title: _____



FORM OF WATER SERVICES AGREEMENT

BY AND BETWEEN

ANTERO RESOURCES CORPORATION

AND

ANTERO RESOURCES MIDSTREAM LLC

DATED AS OF

[]

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WATER SERVICES AGREEMENT

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

RECITALS

A. Producer owns Oil and Gas Interests and intends to drill and complete Wells for the production of Hydrocarbons in the Initial Service Area and may from time to time own Oil and Gas Interests and may drill and complete Wells for the production of Hydrocarbons in other areas.

B. Producer requires supplies of Water in its areas of operation for hydraulic fracturing operations and other purposes and has the right to take Water from various rivers and other Water sources to use for such purposes in its operations in the Initial Service Area and may from time to time have rights to take Water from other sources for such operations and operations in other areas.

C. Midstream has acquired the Water Facilities, which Producer has been using to take Water from its Water sources and to make available such Water in its areas of operation in the Initial Service Area, including certain related assets, from Producer. Midstream anticipates the expansion of the Water Facilities to make available Water to additional locations in the Initial Service Area and other areas.

D. Producer desires to contract with Midstream to provide the Services utilizing the Water Facilities in the Service Area, and Midstream desires to provide the Services to Producer, in each case in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

Capitalized terms used, but not otherwise defined, in this Agreement shall have the respective meanings given to such terms set forth below:

Adequate Assurance of Performance. As defined in Section 12.6(a).

Affiliate. Any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with another Person. ***Affiliated*** shall have the correlative meaning. The term “control” (including its derivatives and similar terms) shall mean possessing the power to direct or cause the direction of the management and policies of a Person, whether through ownership, by contract, or otherwise. Notwithstanding the foregoing, any Person shall be deemed to control any specified Person if such Person owns fifty

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percent (50%) or more of the voting securities of the specified Person, or if the specified Person owns fifty percent (50%) or more of the voting securities of such Person, or if fifty percent (50%) or more of the voting securities of the specified Person and such Person are under common control.

Agreement. As defined in the preamble hereof.

Applicable Law. Any applicable law, statute, regulation, rule, code, administrative order or enforcement action (whether national, local, municipal, territorial, provincial, or federal) of any Governmental Authority to the extent they apply to the Services or the Parties.

Barrel. Forty-two Gallons.

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

Completion Deadline. As defined in Section 3.4(b).

Connection Notice. As defined in Section 3.4(b).

Confidential Information. As defined in Section 17.6(a).

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

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

CPI. As defined in Section 5.1(b).

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

Day. A period commencing at 10:00 a.m., Eastern Standard Time, on a calendar day and ending at 10:00 a.m., Eastern Standard Time, on the next succeeding calendar day. **Daily** shall have the correlative meaning.

Delivery Point. The inlet flange of Producer's Water tank or other Producer storage facility located at or in the vicinity of a Well Pad.

Delivery Point Fee. As defined in Section 5.1(a)(i).

Development Plan. As defined in Section 3.3(a).

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

Fair Market Value. With respect to any asset, the price that would be paid by a willing buyer of such asset to a willing seller, as determined by an independent nationally known investment banking firm selected by Midstream and reasonably acceptable to Producer.

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Firm Service. Services that are accorded the highest priority on the Water Facilities with respect to capacity allocations, interruptions, or curtailments, specifically including the Services provided to Producer hereunder. Firm Services will be the last curtailed on the relevant part of the Water Facilities in the event of an interruption or curtailment, and all Firm Services will be treated equally in the event an allocation is necessary.

Force Majeure. As defined in Section 13.2.

Gallon. One U.S. gallon, which is equal to 231 cubic inches.

Gas. Any mixture of gaseous hydrocarbons, consisting essentially of methane and heavier hydrocarbons and inert and noncombustible gases, that is extracted from beneath the surface of the earth.

Governmental Approval. Any permit, license, consent, clearance, certificate, approval, authorization or similar document or authority which any Applicable Law or Governmental Authority requires either Party to hold or obtain in order for the Services to be performed, including any that are required to take Water from the Take Points.

Governmental Authority. Any federal, state, local, municipal, tribal or other government; any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, regulatory or taxing authority or power; and any court or governmental tribunal, including any tribal authority having or asserting jurisdiction.

Hydrocarbons. Gas and/or Liquid Hydrocarbons.

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

Initial Service Area. The area described in Exhibit A hereto.

Interruptible Service. Service that is accorded the lowest priority on the Water Facilities with respect to capacity allocations, interruptions, or curtailments. Interruptible Service will be the first curtailed on the Water Facilities in the event of an interruption or curtailment.

Liquid Hydrocarbons. Oil, condensate, natural gasoline and all the liquid hydrocarbon production from wells, or a blend of such.

Maintenance. As defined in Section 6.2.

Maximum BPM Rate. Thirty-five (35) Barrels per minute.

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

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Midstream. As defined in the preamble of this Agreement.

Month. A period commencing at 10:00 a.m., Eastern Standard Time, on the first Day of a calendar month and extending until

10:00 a.m., Eastern Standard Time, on the first Day of the next succeeding calendar month. **Monthly** shall have the correlative meaning.

Oil and Gas Interests. Oil and gas leasehold interests and oil and gas mineral fee interests, including working interests, overriding royalty interests, net profits interests, carried interests, and similar rights and interests.

Parties. As defined in the preamble of this Agreement.

Party. As defined in the preamble of this Agreement.

Person. An individual, a corporation, a partnership, a limited partnership, a limited liability company, an association, a joint venture, a trust, an unincorporated organization, or any other entity or organization, including a Governmental Authority.

Planned Well. As defined in Section 3.3(a).

Planned Well Pad. As defined in Section 3.3(a).

Producer. As defined in the preamble of this Agreement.

Required Pumping Station. As defined in Section 3.7.

Retention Facility. Each retention area or other similar facility used to temporarily store Water prior to its being made available at a Delivery Point.

Retention Facility Fee. As defined in Section 5.1(a)(ii).

Service Area. The Initial Service Area and any other area that becomes part of the Service Area pursuant to Section 2.3.

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

Services. As defined in Section 3.1.

System Pumping Station. As defined in Section 3.7.

System Retention Facility. As defined in Section 3.6.

System Segment. A physically separate segment of the Water Facilities that connects one or more Take Points to one or more System Retention Facilities, together with any underground

Water lines downstream of such System Retention Facilities and any rights of way downstream of such System Retention Facilities for surface Water lines, including all underground Water pipelines, System Retention Facilities, System Pumping Stations, Take Point Facilities, Measurement Facilities, rights of way, fee parcels, surface rights, and permits, and all appurtenant facilities.

System Delivery Point. Each point on any System Segment when Water is made available to customers, including the Delivery Points.

System Take Point. Each take point on any System Segment, including the Take Points.

Take Point. Those points specified in Exhibit C hereto, together with such additional points as are specified by Producer in accordance with Section 3.5 from which, in accordance with agreements with the holders of water rights and/or Applicable Laws and required Governmental Approvals, Producer has procured the right for Midstream to take Water to make available to Producer for use in accordance with this Agreement.

Take Point Facilities. All facilities located at any Take Point that are necessary for Midstream to take Water from the Water source at such Take Point.

Target Commencement Date. As defined in Section 3.4(b).

Water. Raw fresh water. For the avoidance of doubt, “**Water**” does not include recycled flowback water or produced water.

Water Facilities. The Water facilities described in Exhibit B being acquired by Midstream from Producer as of the date hereof, together with any additional System Segments constructed after the date hereof, as such Water facilities are expanded after the date hereof, including, in each case, to the extent now in existence or constructed or installed in the future, all underground Water pipelines, System Retention Facilities, System Pumping Stations, Take Point Facilities, Measurement Facilities, rights of way (whether for underground or surface use), fee parcels, surface rights, and permits, and all appurtenant facilities.

Water Facilities Plan. As defined in Section 3.3(b).

Water Quality Standards. As defined in Section 9.1.

Well. A well for the production of Hydrocarbons in which Producer owns an interest that is located on the Service Area Properties or for which Water is required to be made available from the Water Facilities in accordance with this Agreement.

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

ARTICLE 2 PRODUCER COMMITMENTS

Section 2.1 Producer Commitments. Subject to the terms and conditions of this Agreement, Producer covenants and commits to exclusively use Water made available at the Delivery Points or otherwise made available by Midstream to Producer under this Agreement for use in its hydraulic fracturing operations for all Wells operated by Producer in the Service Area.

Section 2.2 Covenant Running with the Land. The covenant and commitment made by Producer under this Article 2 is a covenant running with the land. For the avoidance of doubt and in addition to that which is provided in Section 17.4, in the event Producer sells, transfers, conveys, assigns, grants, or otherwise disposes of any or all of its interest in any of its Service Area Properties, then any such sale, transfer, conveyance, assignment, grant, or other disposition shall be expressly subject to this Agreement and any instrument of conveyance shall so state. Notwithstanding the foregoing, Producer shall be permitted to sell, transfer, convey, assign, grant, or otherwise dispose of Service Area Properties free of the covenant and commitment made under this Article 2 in a sale or other disposition in which a number of net acres of Service Area Properties that, when added to the total of net acres of Service Area Properties theretofore and, where applicable, simultaneously disposed of free of the commitment made by Producer under this Article 2, does not exceed the aggregate number of net acres of Service Area Properties acquired by Producer after the Effective Date, including in a transaction in which Service Area Properties are exchanged for other properties located in the Service Area that would be subject to commitment made by Producer under this Article 2.

Section 2.3 Additional Oil and Gas Interests or Water Facilities.

(a) If at any time Producer acquires any existing Water facilities through which Water is made available to any Oil and Gas Interests, it shall, by notice to Midstream on or before the 10th day after such acquisition, which notice shall include a reasonable description of such Water facilities and such Oil and Gas Interests (including an update to the Development Plan reflecting such Oil and Gas Interests in which Producer owns or is acquiring an interest) and the price paid by Producer for such Water facilities, including any liabilities assumed by Producer, offer to sell to Midstream such Water facilities, including all underground Water pipelines, retention facilities, pumping stations, take point facilities, delivery points, measurement facilities, rights of way (whether for underground or surface use), fee parcels, surface rights, and permits, and all appurtenant facilities, as well as any third party contracts for Water services utilizing such pipeline facilities, at the same price at which such Water facilities were acquired by Producer, including the assumption of any liabilities with respect thereto assumed by Producer. Midstream shall have the right, to be exercised by notice to Producer on or before the 60th Day after Producer's notice of its acquisition of such Water facilities, to acquire such Water facilities at such price (including the assumption of such liabilities). If Midstream does not give such notice to Producer on or before such 30th Day, Midstream shall be deemed to have waived its right to acquire such Water facilities, except in the case of a third party services offer as provided below, and (i) Producer shall have the right to own and operate such facilities to make available Water to the Oil and Gas Interests described in such notice in which Producer owns an interest and all other Oil and Gas Interests within the area within three miles of any such Oil and Gas Interest and/or (ii) Producer shall have the right to solicit

proposals from a third party service provider to acquire, own, and operate such facilities to make available Water to the Oil and Gas Interests described in such notice in which Producer owns an interest and all Oil and Gas Properties in which Producer owns an interest within the area within three miles of any such Oil and Gas Property. If Producer obtains any such third party proposal, it shall, by notice to Midstream, provide Midstream with all the terms and conditions thereof, and Midstream shall have the right to elect, by notice to Producer on or before the 60th Day after its receipt of Producer's notice containing the terms and conditions of such proposal, to acquire such Water facilities and provide such services on the same terms and conditions as those offered by the third party service provider. If Midstream does not so elect on or before such 60th Day, Midstream shall be deemed to have waived its right to acquire such gathering facilities and provide such services, and Producer shall have the right to contract with such third party service provider to acquire such facilities and to provide such services on such terms and conditions to the Oil and Gas Interests described in such notice in which Producer owns an interest and all other Oil and Gas Interests within the area within three miles of any such Oil and Gas Interest. If Midstream elects to acquire such Water facilities, the closing of Midstream's purchase of such Water facilities from Producer shall take place as soon as reasonably practicable following Midstream's exercise of its right to acquire such Water facilities. From and after the closing of such purchase by Midstream, all Oil and Gas Properties owned by Producer the Water for which is being made available utilizing such water facilities as well as Oil and Gas Properties owned by Producer within the area within three miles of any such Oil and Gas Property shall become Service Area Properties, and such area, to the extent not in or part of the then-existing Service Area, shall become part of the Service Area, such Water facilities shall be deemed to be one or more System Segments and part of the Water Facilities, and the proposed Development Plan update included in Producer's notice shall become part of the Development Plan. In any transaction in which Producer so acquires Water facilities, Producer shall use reasonable efforts to cause the transaction documents for such acquisition to state a separate purchase price (and separately state any assumed liabilities) for such Water facilities. If notwithstanding such reasonable efforts

the transaction documents for such acquisition do not state a separate purchase price, the purchase price to be paid by Midstream to Producer for such Water facilities shall be equal to the Fair Market Value of such Water facilities, and Midstream shall assume all liabilities in respect of such Water facilities to the extent arising from the ownership and operation of such Water facilities and/or any occurrence from and after the closing of the purchase of such Water facilities by Midstream.

(b) If at any time Producer desires to construct, own, and operate, or to have constructed and operated, Water facilities to make available Water to any Oil and Gas Interests in which Producer owns an interest outside the then-existing Service Area, Producer shall, by notice to Midstream specifying (i) the facilities it desires and the take points and delivery points it plans to connect, (ii) the Oil and Gas Interests owned by Producer to which Water is to be made available utilizing such facilities (including an update to the Development Plan reflecting such Oil and Gas Interests), and (iii) a proposed development plan for the Wells to be drilled on such Oil and Gas Interests during the period of at least 18 Months after such notice, offer to Midstream the opportunity to construct, own, and operate such facilities as part of the Water Facilities on the terms set forth in this Agreement. Midstream shall have the right, to be exercised by notice to Producer on or before the 60th Day after Producer's notice, to elect to construct, own, and operate such facilities. If Midstream exercises such right, from and after the date of Midstream's notice of exercise, the area within three miles of the Oil and Gas Properties

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described in such notice, to the extent not in or part of the then-existing Service Area, shall become part of the Service Area, such Water facilities as they are constructed shall be deemed to be part of the Water Facilities, and the proposed Development Plan update included in Producer's notice shall become part of the Development Plan. If Midstream does not give such notice to Producer on or before such 60th Day, Midstream shall be deemed to have waived its right to construct, own, and operate the facilities set forth in Producer's notice as part of the Water Facilities on the terms set forth in this Agreement, except in the case of a third party services offer as provided below, and (1) Producer shall have the right to construct, own, and operate such facilities to make available Water to the Oil and Gas Interests described in such notice or (2) Producer shall have the right to solicit proposals from a third party service provider to construct, own, and operate such facilities to make available Water to the Oil and Gas Interests described in such notice and to make available Water to all Oil and Gas Properties owned by Producer within the area within three miles of any such Oil and Gas Property. If Producer obtains any such third party proposal, it shall, by notice to Midstream, provide Midstream with all the terms and conditions thereof, and Midstream shall have the right to elect, by notice to Producer on or before the 60th Day after its receipt of Producer's notice containing the terms and conditions of such proposal, to construct, own, and operate such water facilities to make available Water to the Oil and Gas Interests described in such notice on the same terms and conditions as those offered by the third party service provider. If Midstream does not so elect on or before such 60th Day, Midstream shall be deemed to have waived its right to provide such services, and Producer shall have the right to contract with such third party service to make available Water to the Oil and Gas Interests described in such notice and to make available Water to all Oil and Gas Properties owned by Producer within the area within three miles of any such Oil and Gas Property.

(c) Midstream shall have the right at any time after the Effective Date to notify Producer that Midstream desires to increase the scope of this Agreement to include the treatment, handling, and/or disposal of flowback water, produced water, and/or drilling fluids and/or other fluid waste handling services ("**Water Treatment Services**"). Midstream shall have the right to give one or more such notices, each covering one or more such types of services. On or before the 30th Day after any such notice, Producer shall by notice to Midstream request from Midstream a proposal to provide the type or types of Water Treatment Services specified in the Midstream notice to the extent that Producer is then utilizing Water Treatment Services of such type (such notice, a "**Request for Proposal**"), and thereafter Producer shall provide a further Request for Proposal each time that it desires any such Water Treatment Services in addition to those covered in a prior Request for Proposal for such type of Water Treatment Services. Each Request for Proposal shall specify the Water Treatment Services that Producer desires, the proposed terms and conditions on which such Water Treatment Services would be provided, and the Oil and Gas Interests with respect to which it desires such Water Treatment Services. Midstream shall have the right, to be exercised by notice to Producer on or before the 60th Day after the Request for Proposal (such notice, a "**Proposal Notice**"), to make a proposal to provide such Water Treatment Services. Concurrently with or following its Request for Proposal to Midstream, Producer may seek proposals from third parties to provide such Water Treatment Services on the same terms and conditions. Producer shall not accept any such proposal from any third party for such Water Treatment Services unless (i) such third party's offer is received on or before the 60th day after the Request for Proposal, is on the same terms and conditions as the Request for Proposal, and offers fees for such Water Treatment Services that are better for Producer than

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those offered by Midstream in its Proposal Notice, (ii) Producer, by notice to Midstream, provides a copy of such third party proposal to Midstream, and (iii) Midstream does not, by notice to Producer on or before the 30th Day after notice of such third party offer is received from Producer, offer to provide such Water Treatment Services for fees at least equal to those proposed by the third party. If Midstream's proposal is accepted or if Midstream matches a third party offer, Midstream and Producer shall document their agreement for Midstream to provide such services on the terms and conditions in the Request for Proposal and the Proposal Notice.

Section 2.4 Priority of Services. All Services provided under this Agreement shall be Firm Services.

ARTICLE 3 SERVICES; WATER FACILITIES EXPANSION AND CONNECTION OF DELIVERY POINTS

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

(a) take, or cause to be taken, at each Take Point on each Day, Water in a quantity at least equal to the lesser of (i) the maximum capacity of the Take Point Facilities as they then exist at such Take Point on such Day, (ii) the maximum volume of Water that may be taken at such Take Point in accordance with Producer's rights to take Water at such Take Point, including Applicable Laws and/or any relevant Governmental Approval, and (iii) such volume of Water as shall be nominated by Producer in accordance with this Agreement;

(b) make available or cause to be made available, by underground or surface water lines and through the use of System Retention Facilities if applicable, such Water at the Delivery Points nominated by Producer in accordance with this Agreement in the quantities specified by Producer, up to the Maximum BPM Rate; and

(c) permit Producer to remove such Water from the System Retention Facilities by truck for use in its hydraulic fracturing operations (and for no other use).

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Section 3.2 Water Availability and Quantity. The obligation of Midstream to perform the Services is subject to the conditions that (a) Producer has obtained all necessary rights, including all Governmental Approvals (but excluding any leases, easements, or other real property rights necessary for the location of Take Point Facilities, which, subject to the other provisions of this Agreement, shall be the obligation of Midstream), to take Water from the Take Points in sufficient volumes to make available Water at the Delivery Points in the volumes specified in Section 3.1(b) and (b) the quality of the Water available to be taken at such Take Points is at all times in compliance with the Water Quality Standards. Midstream shall be relieved of its obligations to provide the Services to the extent that it is prevented from doing so because either of such conditions is not satisfied at any time.

Section 3.3 Development Plan; Water Facilities Plan; Exchange and Review of Information.

(a) The Initial Development Plan describes Producer's planned development and drilling activities relating to the Service Area Properties through the date that is 18 months after the Effective Date (such plan, as updated as hereinafter provided, and including any proposed development plan that becomes part of the Development Plan pursuant to Section 2.3, the "**Development Plan**"). Following the Effective Date, Producer shall provide Midstream an updated Development Plan describing the planned development and drilling activities relating to the Service Area Properties for the 18-Month period commencing on the date of such updated Development Plan on or before the last Day of each Month. Each Development Plan will include (i) information as to the Wells that Producer expects will be drilled during such period (each such Well reflected in a Development Plan, a "**Planned Well**"), information as to each Well Pad expected to be constructed during such period (each such Well Pad reflected in a Development Plan, a "**Planned Well Pad**") and the approximate locations thereof, and the earliest date on which one or more Planned Wells at each such Planned Well Pad are expected to be completed and (ii) good faith and reasonable forecasts of the periods of time during which Water will be required at each Well Pad for the purpose of hydraulic fracturing operations for all Planned Wells on such Well Pad and the volumes of Water that will be required for such Planned Wells during the 18-Month period following the date of such Development Plan (to the extent not previously provided or, if earlier provided, as revised in Producer's good faith estimation). Producer shall make its representatives available to discuss the Development Plan from time to time with Midstream and its representatives, in order to facilitate advance planning for expansion or improvement of the Water Facilities and to address other matters relating to the construction and installation of additions to the Water Facilities. Producer may provide updated or amended Development Plans to Midstream at any time and shall provide its then-current Development Plan to Midstream from time to time on or prior to the fifth (5th) Business Day after Midstream's request therefor.

(b) Attached hereto as Exhibit D is a Water Facilities plan describing and/or depicting the Water Facilities, including all Take Points, pipelines, Retention Facilities, Delivery Points, rights of way for surface Water lines, and all Pumping Stations and other major physical facilities, together with their locations, sizes and other physical specifications, operating parameters, capacities, and other relevant specifications, and together with a schedule for completing the construction and installation of the planned portions thereof, in each case as currently in existence, under construction, or planned (such plan,

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as updated as hereinafter provided, the "**Water Facilities Plan**"). Based on the Development Plans and such other information about the expected development of the Service Area Properties as shall be provided to Midstream by or on behalf of Producer, Midstream shall periodically update the Water Facilities Plan. Without limiting the generality of the foregoing, Midstream shall ensure that the Water Facilities Plan reflects each Monthly Development Plan not later than 30 Days after such Development Plan is delivered. Midstream shall make the Water Facilities Plan available for inspection by Producer and its representatives from time to time and shall make representatives of Midstream available to discuss the Water Facilities Plan from time to time with Producer and its representatives. Midstream shall provide Producer updates not less frequently than Monthly on the progress of work on all facilities necessary to connect the Water Facilities to Delivery Points at the Planned Well Pads as set forth in the then-current Water Facilities Plan.

(c) The Parties recognize that the plans for the development of the Service Area Properties set forth in the Development Plans, as well as all information provided by Producer to Midstream regarding its intentions with respect to the development of the Service Area Properties, are subject to change and revision at any time at the discretion of Producer, and that such changes may impact the timing, configuration, and scope of the planned activities of Midstream. The exchange of such information and any changes thereto shall not give rise to any rights or liabilities as between the Parties except as expressly set forth in this Agreement, and Midstream shall determine at its own risk the time at which it begins to work on and incur costs in connection with particular Water Facilities expansion projects, including the acquisition of rights of way, equipment, and materials. Without limiting the generality of the foregoing, Producer has no obligation to Midstream under this Agreement to develop or produce any Hydrocarbons from the Service Area Properties

or to pursue or complete any drilling or development on the Service Area Properties, whether or not envisioned in the Development Plan.

Section 3.4 Expansion of Water Facilities; Connection of Delivery Points.

(a) The Water Facilities shall be designed, developed, and constituted for the purpose of providing Services as and when needed to provide Water to the Service Area Properties, and Midstream shall be obligated, at its sole cost and expense, subject to the provisions of this Agreement, to plan, procure, construct, install, own, and operate the Water Facilities so as to timely connect the Water Facilities to the Delivery Points at all Planned Well Pads and timely commence providing the full scope of Services with respect to all the Planned Wells in accordance with this Section 3.4; *provided*, that the foregoing shall not preclude Midstream from also designing, developing and constituting the Water Facilities to services to third parties.

(b) Midstream shall be obligated to connect the Water Facilities to Delivery Points at a particular Well Pad only if Midstream has received from Producer a notice in the form of Exhibit F hereto (or in such form as Producer and Midstream shall otherwise agree from time to time) stating that Producer intends to drill, complete, and carry out hydraulic fracturing operations on such Wells at such Well Pad (a “*Connection Notice*”) and setting forth the target date for the commencement of hydraulic fracturing operations (the “*Target Commencement Date*”) at such Well Pad and the volumes of Water to be made available at the Delivery Points starting on such Target Commencement Date.

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Following receipt of a Connection Notice, Midstream shall cause the necessary facilities to be constructed to connect the Water Facilities to the Delivery Points at the Well Pads referred to in such Connection Notice and to commence the Services with respect to such Delivery Points. Such facilities shall be able to make Water available to the Delivery Point at the Planned Well Pad as soon as reasonably practicable following the Connection Notice and in any event on or before the later of (1) the Target Commencement Date with respect to such Planned Well Pad, (2) the date that is 180 Days after the Connection Notice, (3) for any Well Pad located in the Initial Service Area but in any area outside the area described in Exhibit A as the “core area”, the date specified for such area in Exhibit A, (4) for any Well Pad located outside the Initial Service Area, the date that is 18 months after the area in which such Well Pad is located became part of the Service Area, and (5) the date on which the initial Planned Well(s) at such Planned Well Pad has reached its projected depth and is ready for completion and hydraulic fracturing operations (the later of such dates, with respect to such Planned Well Pad, the “*Completion Deadline*”). Midstream shall provide Producer notice promptly upon Midstream’s becoming aware of any reason to believe that it may not be able to connect a Planned Well Pad to the Water Facilities by the Target Commencement Date therefor or to otherwise complete all facilities necessary to provide the full scope of Services with respect to the Delivery Points at such Planned Well Pad by the Target Commencement Date therefor. If and to the extent Midstream is delayed in completing and making available such facilities by a Force Majeure event or any action of Producer that is inconsistent with the cooperation requirements of Section 3.9, then the Completion Deadline for such connection shall be extended for a period of time equal to that during which Midstream’s completion and making available of such facilities was delayed by such events or actions. If such facilities are not completed and made available by the Completion Deadline, as Producer’s sole and exclusive remedies for such delay,

(i) if Midstream notifies Producer that the required volumes of Water are available at a System Retention Facility, Producer shall have the right to pick up such volumes of Water at such System Retention Facility and truck it to the Delivery Point at the Well Pad, in which case the Producer’s actual cost of trucking such Water to such Delivery Point shall be deducted from the Delivery Point Fee or the Cost of Service Fee, as applicable; or

(ii) if the required volumes of Water are not available at a System Retention Facility as provided in clause (i) above, Producer shall have the right to obtain Water from sources other than Midstream for hydraulic fracturing operations at such Well Pad and truck such Water to such Well Pad until such time as the Delivery Point at such Well Pad is connected to the Water Facilities and the Water Facilities are ready to make available Water at such Delivery Point and to commence the Services with respect thereto, in which case Producer shall be entitled to recover from Midstream the excess, if any, of its costs of obtaining such Water and trucking such Water to such Well Pad over the Delivery Point Fee or the Cost of Service Fee, as applicable, that it would have been obligated to pay Midstream for the same volumes of Water; or

(iii) Producer shall have the right to complete the procurement, construction and/or installation of any rights or facilities necessary to connect the Delivery Point at the relevant Planned Well Pad to the Water Facilities and to permit

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Water to be made available at such Delivery Point, in which case Midstream shall pay to Producer an amount equal to 115% of all reasonable costs and expenses incurred by Producer in so procuring, constructing, and/or installing such rights and facilities, and Producer shall convey all such rights and facilities to Midstream and such rights and facilities shall thereafter be part of the Water Facilities.

The remedies set forth in clauses (i), (ii) and (iii) above shall be applicable to Wells with Completion Deadlines that are 180 Days or more after the Effective Date. Once a Well Pad is connected to the Water Facilities, Midstream shall maintain such connection until such time as Producer has advised Midstream that all hydraulic fracturing operations have been completed on all Planned Wells at such Well Pad; provided that Midstream shall have the right to remove and re-lay temporary surface water lines from time to time as long as no delay or disruption in Producer’s hydraulic fracturing operations results therefrom.

(c) If the actual commencement of hydraulic fracturing operations at a particular Well Pad is delayed more than

30 Days after the Target Commencement Date for such Well Pad and the Water Facilities are connected to the Delivery Point at such Well Pad and available to commence providing the Services with respect to the Planned Wells on such Well Pad prior to the date such initial Planned Well is ready for hydraulic fracturing, Midstream shall be entitled to a fee equal to interest per annum at the Wall Street Journal prime rate on the incremental cost and expense incurred by Midstream to procure, construct and install the relevant rights and facilities to connect to such Well Pad and to cause such facilities to be available to commence providing Services thereto for the number of Days after the Target Commencement Date until the Day that hydraulic fracturing of the first Well at such Well Pad has commenced; provided, however, that if hydraulic fracturing of such Well has not commenced by the date that is six months after the Target Commencement Date for such Well or, as of an earlier date, Producer notifies Midstream that it has elected not to fracture any Planned Wells at such Planned Well Pad, Producer shall pay to Midstream an amount equal to 115% of all reasonable incremental costs and expenses incurred by Midstream in procuring, constructing and installing such rights and facilities to connect the Water Facilities to such Planned Well Pad and to cause such facilities to be available to commence providing Services thereto, and Midstream shall assign, transfer, and deliver to Producer all rights and facilities (including equipment, materials, work in progress, and completed construction) the costs and expenses of which have so been paid by Producer, to Producer. If Producer so pays Midstream and later completes a Well at such Well Pad which it desires to hydraulically fracture, or if such facilities are later used to connect and hydraulically fracture a Well at a different Planned Well Pad or for a third party, Midstream shall refund to Producer such amount paid by Producer, and Producer shall retransfer such rights and facilities to Midstream.

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

Section 3.5 Take Points. Midstream shall be obligated, at Midstream's cost, to provide Take Point Facilities with respect to the Take Points set forth on

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Exhibit C. All such Take Points shall be provided with all Take Point Facilities (including any Measurement Facilities) necessary to take volumes of Water set forth for each such Take Point on Exhibit C (with all expansions of capacity at such Take Point Facilities, being at Producer's sole, cost, risk, and expense). Producer shall have right from time to time to specify in the Development Plan or in a Connection Notice that an additional Take Point shall be added and that Water from such Take Point shall be made available to Delivery Points connected to a particular System Segment. If Producer so specifies, Midstream shall, at Producer's sole cost, risk, and expense, provide Take Point Facilities for such Take Point and a connection between such Take Point Facilities and such System Segment.

Section 3.6 Retention Facilities. The Water Facilities Plan will describe the Retention Facilities that will be required to permit Midstream to provide the Services in accordance with this Agreement (each, a "**Required Retention Facility**"). Midstream shall install such Required Retention Facilities and shall operate and maintain such Required Retention Facilities (each such Required Retention Facility so installed by Midstream, a "**System Retention Facility**"). For the avoidance of doubt, Midstream shall have the right at any time to add additional retention facilities to the Water Facilities as it deems necessary or appropriate to provide the Services and such services as it is providing to third parties.

Section 3.7 Pumping Facilities. The Water Facilities Plan will describe the pumping facilities that will be required in order for Water to be made available at the Delivery Points at the delivery rates specified in Section 3.1(b) (each a "**Required Pumping Station**"). Midstream shall install each such Required Pumping Station and shall operate and maintain each Required Pumping Station (each such Required Pumping Station so installed by Midstream, a "**System Pumping Station**"). For the avoidance of doubt, Midstream shall have the right at any time to add additional pumping facilities to the Water Facilities as it deems necessary or appropriate to provide the Services and such services as it is providing to third parties.

Section 3.8 Right of Way and Access. Midstream is responsible for the acquisition of rights of way, crossing permits, licenses, use agreements, access agreements, leases, fee parcels, and other rights in land right necessary to construct, own, and operate the Water Facilities, and all such rights in land shall be solely for use by Midstream and shall not be shared with Producer, except as otherwise agreed by Midstream; provided that Producer hereby grants, without warranty of title, either express or implied, to the extent that it has the right to do so without the incurrence of material expense, an easement and right of way upon all lands covered by the Service Area Properties, for the purpose of installing, using, maintaining, servicing, inspecting, repairing, operating, replacing, disconnecting, and removing all or any portion of the Water Facilities, including all pipelines, meters, and other equipment necessary for the performance of this Agreement; provided, further, that the exercise of these rights by Midstream shall not unreasonably interfere with Producer's lease operations or with the rights of owners in fee, and will be subject to Producer's safety and other reasonable access requirements applicable to Producer's personnel. Producer shall not have a duty to maintain the underlying agreements (such as leases, easements, and surface use agreements) that such grant of easement or right of way to Midstream is based upon, and such grants of easement or right of way will terminate if Producer loses its rights to the property, regardless of the reason for such loss of rights. Notwithstanding the foregoing, (i) Producer will assist Midstream to secure replacements for

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such terminated grants of easement or right of way, in a manner consistent with the cooperation requirements of Section 3.9, (ii) to the extent that Producer agrees that Midstream's Measurement Facilities may be located on Producer's Well Pad sites, Producer shall be responsible for obtaining any necessary rights to locate such Measurement Facilities on such Well Pad sites, and (iii) Producer shall use reasonable efforts to involve Midstream in Producer's negotiations with the owners of lands covered by the Service Area Properties so that Producer's surface use agreements and Midstream's rights of way with respect to such lands can be concurrently negotiated and

obtained. Without limiting the generality of the foregoing, Producer agrees to make space available at each Delivery Point sufficient for Midstream to install and construct pig receiving and other facilities necessary for Midstream to pig the Water Facilities to each Delivery Point.

Section 3.9 Cooperation. Because of the interrelated nature of the actions of the Parties required to obtain the necessary permits and authorizations from the appropriate Governmental Authorities and the necessary consents, rights of way and other authorizations from other Persons necessary to drill and complete each Planned Well and construct the required extensions of the Water Facilities to each Planned Well Pad, the Parties agree to work together in good faith to obtain such permits, authorizations, consents and rights of way as expeditiously as reasonably practicable, all as provided herein. The Parties further agree to cooperate with each other and to communicate regularly regarding their efforts to obtain such permits, authorizations, consents and rights of way.

ARTICLE 4 TERM

Section 4.1 Term. This Agreement shall become effective on the Effective Date and, unless terminated earlier by mutual agreement of the Parties, shall continue in effect until the twentieth (20th) anniversary of the Effective Date and from year to year thereafter (with the initial term of this Agreement deemed extended for each of any such additional year) until such time as this Agreement is terminated, effective upon an anniversary of the Effective Date, by notice from either Party to the other Party on or before the one hundred eightieth (180th) Day prior to such anniversary.

ARTICLE 5 FEES AND CONSIDERATION

Section 5.1 Fees.

(a) Subject to the other provisions of this Agreement, Producer shall pay Midstream each Month in accordance with the terms of this Agreement, for all Services provided by Midstream during such Month, an amount equal to the sum of the following:

(i) The product of (A) the aggregate volume of Water, stated in Barrels, made available by Midstream to the Delivery Points during such Month multiplied by (B) \$3.50 (as may be increased or decreased in accordance with Section 5.1(b), the “**Delivery Point Fee**”); and

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(ii) The product of (A) the aggregate volume of Water, stated in Barrels, picked up by Producer at the System Retention Facilities as contemplated by Section 3.1(c) during such Month multiplied by (B) \$3.00 (as may be increased or decreased in accordance with Section 5.1(b), the “**Retention Facility Fee**”).

(b) After each of the first five (5) Contract Years, one hundred percent (100%), and after the sixth (6th) Contract Year and each Contract Year thereafter, fifty-five percent (55%) of the Delivery Point Fee and the Retention Facility Fee shall be adjusted up or down on an annual basis in proportion to the percentage change, from the preceding year, in the All Items Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, 1982-84 = 100, as published by the United States Department of Labor, Bureau of Labor Statistics (“**CPI**”). Such adjustment shall be made effective upon the first Day of each Contract Year commencing in the Contract Year beginning in 2014, and shall reflect the percentage change in the CPI as it existed for June of the preceding Contract Year from the CPI for the second immediately preceding June; *provided, however*, that the Delivery Point Fee and the Retention Facility Fee shall never be less than the initial fees stated in Section 5.1(a); nor shall such fees be increased or decreased by more than 3% in any given Contract Year.

(c) Notwithstanding the foregoing provisions of this Section 5.1 or any other provision to the contrary in this Agreement, Midstream shall have the right to elect to be paid for some or all Services on a cost of service basis to the extent set forth in this Section 5.1(c). Midstream shall have the right to elect to be paid on a cost of service basis for any Services other than Services offered in respect of the Delivery Points at the Planned Well Pads set forth in the Initial Service Area, all of which Services shall be performed for the volumetric fees set forth in Section 5.1(a) and Section 5.1(b). With respect to any other Services, Midstream may elect, by notice to Producer at least three Months prior to the commencement of any Contract Year or, in the case of any water facilities acquired by Midstream pursuant to Section 2.5(a), in the notice given by Midstream in accordance with such Section that Midstream will acquire such water facilities, to be paid on a cost of service basis for the Services specified in such notice commencing at the beginning of such Contract Year or with the acquisition of such facilities, as applicable, and continuing for the remaining term of this Agreement, but only with respect to the facilities so acquired or discrete parts of the Water Facilities (each, a “**CS Facility**”) that are placed into service or acquired during such Contract Year or a later Contract Year, as applicable. The Services specified in such notice may be of any scope determined by Midstream in its sole discretion and may include all eligible Services or any part thereof and may include, by way of example only, making Water available at a particular Delivery Point or group of Delivery Points, providing additional System Retention Facilities or System Pumping Facilities, connecting additional Take Points, and any other subset of the Services determined by Midstream, in each case subject to the foregoing sentence. All Services provided from time to time on a cost of service basis shall be bundled together for purposes of calculating a single Monthly cost of service fee (the “**Cost of Service Fee**”), which shall be calculated with respect to each Contract Year as set forth in Exhibit H attached hereto.

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**ARTICLE 6
CERTAIN RIGHTS AND OBLIGATIONS OF PARTIES**

Section 6.1 Operational Control of Midstream's Facilities. Subject to the terms and conditions of this Agreement, Midstream shall design, construct, own, operate, and maintain the Water Facilities at its sole cost and risk. Midstream shall be entitled to full and complete operational control of its facilities and shall be entitled to operate and reconfigure its facilities in a manner consistent with its obligations under this Agreement.

Section 6.2 Maintenance. Midstream shall be entitled, without liability, to interrupt its performance hereunder to perform necessary or desirable inspections, maintenance, testing, alterations, modifications, expansions, connections, repairs or replacements to its facilities as Midstream deems necessary ("**Maintenance**"), with reasonable notice provided to Producer, except in cases of emergency where such notice is impracticable or in cases where the operations of Producer will not be affected. Before the beginning of each calendar year, Midstream shall provide Producer in writing with a projected schedule of the Maintenance to be performed during the year and the anticipated date of such Maintenance. On or before the 10th Day before the end of each Month, Midstream shall provide Producer with its projected maintenance schedule for the following Month.

Section 6.3 Third Party Services; Capacity Allocations on the Water Facilities.

(a) Subject to this Section 6.3 and the other provisions of this Agreement, Midstream has the right to contract with other Persons to perform services utilizing the Water Facilities on an Interruptible Service basis.

(b) If on any Day the total volumes of Water that Midstream has agreed to take from all System Take Points on a particular System Segment, including the volumes Midstream is obligated to take pursuant to Section 3.1(a), for any reason (including Maintenance, Force Majeure, or any foreseen or unforeseen reduction in capacity) exceed the capacity of such System Segment, including any System Retention Facilities located on such System Segment, Midstream shall reduce the volumes taken from all the System Take Points pursuant to its agreements with third parties prior to any reduction in the amounts taken at the Take Points pursuant to this Agreement.

(c) To the extent that the volumes of Water that Midstream has agreed to make available at the System Delivery Points on a particular System Segment, including the volumes that Midstream is obligated to make available at the Delivery Points pursuant to Section 3.1(b), for any reason (including Maintenance, Force Majeure, or any foreseen or unforeseen reduction in capacity) exceed the capacity of such System Segment to make available Water at the System Delivery Points, then Midstream shall interrupt or curtail volumes of Water made available to System Delivery Points other than the Delivery Points prior to any reduction in the amounts made available at the Delivery Points.

(d) Except as otherwise provided in this Section 6.3, Midstream shall be free to use any Water present in the Water Facilities to satisfy its obligations to Producer and any third party and shall not be obligated to ensure that Water taken from any Take Point is utilized

only to perform Services for Producer; provided, however, that Midstream shall comply with any restrictions on the use of any Water taken from any Take Point and made available to any third party, and ensure that such third party also so complies, to the extent that Producer has informed Midstream of such restrictions.

**ARTICLE 7
DELIVERY RATES**

Section 7.1 Delivery Rates. Subject to the other provisions of this Agreement, Midstream shall construct and operate the Water Facilities in a manner so as to permit Water to be made available at the Delivery Points at delivery rates equal to or greater than the Maximum BPM Rate.

Section 7.2 Producer Facilities. Producer, at its own expense, shall construct, equip, maintain, and operate all facilities necessary to receive Water into the tanks or other storage facilities located at the Delivery Points at delivery rates at least equal to the Maximum BPM Rate. Producer shall be responsible at its own expense for disposing of any Water delivered to Producer to hereunder in the volumes and flow rates provided for hereunder but that Producer is unable to use or store.

**ARTICLE 8
NOMINATION**

Section 8.1 Maximum Take Point Volumes. Producer has informed Midstream of the maximum volume of Water that can be taken, if any, in accordance with Producer's rights to take such Water, including any Applicable Law or Governmental Approval, at each of the currently existing Take Points. Producer shall inform Midstream of the maximum volume of Water that can be taken, if any in accordance with Producer's rights to take such Water, including any Applicable Law or Governmental Approval, at each new Take Point established in accordance with Section 3.5. Producer shall notify Midstream of any change to such maximum volumes immediately after Producer becomes aware of any such change.

Section 8.2 Take Point Nominations. If Producer desires that Midstream take volumes of Water from any Take Point on any Day that are less than the greater of (a) the maximum capacity of the Take Point Facilities as they then exist at such Take Point on such Day and (b) the maximum volume of Water that may be taken on such Day at such Take Point in accordance with Producer's rights

to take Water at such Take Point, including Applicable Law and/or any relevant Governmental Approval, Producer may from time to time nominate Take Point volumes for such Take Point as it desires to be taken at each such Take Point, on not less than 5 Business Days' notice to Midstream.

Section 8.3 Delivery Point Nominations. If Producer desires that Midstream make available at any Delivery Point volumes of Water less than the volumes stated in the Connection Notice with respect to such Delivery Point, Producer may from time to time nominate Delivery Point volumes for such Delivery Point, on not less than 5 Business Days' notice to Midstream.

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ARTICLE 9 WATER QUALITY

Section 9.1 Take Point Water Standards. Water at each Take Point shall be free from any contamination or any substances that would result in such Water being unsuitable for use in hydraulic fracturing operations in accordance with all then-applicable general industry practices, Applicable Laws, and Governmental Approvals, or that would result in any damage to the Water Facilities (the standards set forth in this Section 9.1 being called the "*Water Quality Standards*").

Section 9.2 Non-Conforming Take Point Water. If the Water quality at any Take Point does not conform to the Water Quality Standards, then Midstream will have the right to immediately discontinue taking Water at such Take Point as long as the Water at such Take Point continues to be non-conforming. In the event that Midstream takes receipt of non-conforming Water at any Take Point, Producer agrees to be responsible for, and to defend, indemnify, release, and hold Midstream and its Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees harmless from and against, all claims and losses of whatever kind and nature resulting from such non-conforming Water.

Section 9.3 Delivery Point Water Quality Standards. Midstream shall make available Water at each Delivery Point that meets the Water Quality Standards, provided that Water at the Take Points meets the Water Quality Standards, and subject to the provisions of Section 9.4.

Section 9.4 Retention Facility Contamination. Midstream shall use reasonable efforts to ensure that Water that is held in the System Retention Facilities is not subject to any contamination or pollution that would result in the Water held in the System Retention Facilities not meeting the Water Quality Standards. Except to the extent that Midstream has failed to perform its obligations set forth in the immediately preceding sentence, Producer agrees to be responsible for, and to defend, indemnify, release, and hold Midstream and its Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees harmless from and against, all claims and losses of whatever kind and nature resulting from the quality of the Water in the System Retention Facilities, including any remediation obligation under any Applicable Laws relating to the environment.

ARTICLE 10 MEASUREMENT EQUIPMENT AND PROCEDURES

Section 10.1 Equipment. Midstream shall install, own, operate, and maintain Measurement Facilities (a) to measure the volumes of Water taken at each Take Point on each Day and (b) to measure the volumes of Water made available at each Delivery Point on each Day. Producer shall have the right to install check Measurement Facilities at each Take Point and each Receipt Point, including the right to install check measurement equipment on Midstream's meter tubes and orifice unions. The changing and integration of the charts (if utilized for measurement purposes hereunder) and calibrating and adjusting of meters shall be performed by Midstream.

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Section 10.2 Units of Measurement. The unit of volume for measurement of Water made available hereunder shall be one Barrel. Delivery rates shall be stated in Barrels per minute.

Section 10.3 Notice of Measurement Facilities Inspection and Calibration. Each Party shall give reasonable notice to the other Party in order that the other Party may, at its option, have representatives present to observe any reading, inspecting, testing, calibrating or adjusting of Measurement Facilities used in measuring or checking the measurement of volumes of Water under this Agreement. The official electronic data from such Measurement Facilities shall remain the property of the Measurement Facilities' owner, but copies of such records shall, upon written request, be submitted, together with calculations and flow computer configurations therefrom, to the requesting Party for inspection and verification.

Section 10.4 Measurement Accuracy Verification.

(a) Each Party shall verify the accuracy of all Measurement Facilities owned by such Party no less frequently than quarterly. Neither Party shall be required to cause adjustment or calibration of such equipment more frequently than once per Month, unless a special test is requested pursuant to Section 10.5.

(b) If, during any test of the Measuring Facilities, an adjustment or calibration error is found which results in an incremental adjustment to the calculated flow rate through each meter run in excess of two percent (2%) of the adjusted flow rate (whether positive or negative and using the adjusted flow rate as the percent error equation denominator), then any previous recordings of such equipment shall be corrected to zero error for any period during which the error existed (and which is either known definitely or

agreed to by the Parties) and the total flow for the period redetermined in accordance with the provisions of Section 10.6. If the period of error condition cannot be determined or agreed upon between the Parties, such correction shall be made over a period extending over the last one half of the time elapsed since the date of the prior test revealing the two percent (2%) error.

(c) If, during any test of any Measurement Facilities, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate which does not exceed two percent (2%) of the adjusted flow rate, all prior recordings and electronic flow computer data shall be considered to be accurate for volume determination purpose.

Section 10.5 Special Tests. In the event a Party desires a special test (a test not scheduled by a Party under the provisions of Section 10.4) of any Measurement Facilities, seventy-two (72) hours advance notice shall be given to the other Party and both Parties shall cooperate to secure a prompt test of the accuracy of such equipment. If the Measurement Facilities tested are found to be within the range of accuracy set forth in Section 10.4(b), then the Party that requested the test shall pay the costs of such special test including any labor and transportation costs pertaining thereto. If the Measurement Facilities tested are found to be outside the range of accuracy set forth in Section 10.4(b), then the Party that owns such Measurement Facilities shall pay such costs and perform the corrections according to Section 10.6.

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Section 10.6 Metered Flow Rates in Error. If, for any reason, any Measurement Facilities are (i) out of adjustment, (ii) out of service, or (iii) out of repair and the total calculated flow rate through each meter run is found to be in error by an amount of the magnitude described in Section 10.4, the total volumes of Water made available shall be determined in accordance with the first of the following methods which is feasible:

(a) By using the registration of any mutually agreeable check metering facility, if installed and accurately registering (subject to testing as provided for in Section 10.4);

(b) Where multiple meter runs exist in series, by calculation using the registration of such meter run equipment; provided that they are measuring Production from upstream and downstream headers in common with the faulty metering equipment, are not controlled by separate regulators, and are accurately registering;

(c) By correcting the error by re-reading of the official data, or by straightforward application of a correcting factor to the volumes recorded for the period (if the net percentage of error is ascertainable by calibration, tests or mathematical calculation); or

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

Section 10.7 Record Retention. The Party owning the Measurement Facilities shall retain and preserve all test data, flow metering data, and similar records for any calendar year for a period of at least twenty-four (24) Months following the end of such calendar year unless Applicable Law requires a longer time period or the Party has received written notification of a dispute involving such records, in which case records shall be retained until the related issue is resolved.

ARTICLE 11 NOTICES

Section 11.1 Notices. Unless otherwise provided herein, any notice, request, invoice, statement, or demand which either Party desires to serve upon the other regarding this Agreement shall be made in writing and shall be considered as delivered (i) when hand delivered, or (ii) when delivery is confirmed by pre-paid delivery service (such as FedEx, UPS, DHL or a similar delivery service), or (iii) if mailed by United States certified mail, postage prepaid, three (3) Business Days after mailing, or (iv) if sent by facsimile transmission, when receipt is confirmed by the equipment of the transmitting Party, or (v) when sent via email; provided, if sent by email after normal business hours or if receipt of a facsimile transmission is confirmed after normal business hours, receipt shall be deemed to be the next Business Day. Notwithstanding the foregoing, if a Party desires to serve upon the other a notice of default under this Agreement, or if Producer desires to serve upon Midstream a Connection Notice, the delivery of such notice shall be considered effective under this Section 11.1 only if delivered by any method set forth in items (i) through (iv) above. Any notice shall be given to the other Party at the following address, or to such other address as either Party shall designate by written notice to the other:

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Producer: ANTERO RESOURCES CORPORATION
1625 17th Street
Denver, Colorado 80202

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

With copy to: For water control, nominations & balancing:
Completion Supervisor

Phone: (303) 357-7310
Fax Number: (303) 357-7315

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

Midstream: ANTERO RESOURCES MIDSTREAM LLC
1625 17th Street
Denver, Colorado 80202

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

For water control, nominations & balancing:
Scheduling Coordinator
Phone: (303) 357-7310
Fax Number: (303) 357-7315

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

ARTICLE 12 PAYMENTS

Section 12.1 Invoices. Not later than the tenth (10th) Day following the end of each Month, Midstream shall provide Producer with a detailed statement setting forth the volumes of Water made available during such Month at the Delivery Points and the volumes of Water taken by Producer from the System Retention Facilities during such Month and the Delivery Point Fee, the Retention Facility Fee, and, if applicable, the Cost of Service Fee with respect to such Month, together with measurement summaries and all relevant supporting documentation, to the extent available on such tenth (10th) Day (with Midstream being obligated to deliver any such

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supporting documentation that is not available on such tenth (10th) Day as soon as it becomes available). Producer shall make payment to Midstream by the last Business Day of the Month in which such invoice is received. Such payment shall be made by wire transfer pursuant to wire transfer instructions delivered by Midstream to Producer in writing from time to time. If any overcharge or undercharge in any form whatsoever shall at any time be found and the invoice therefor has been paid, Midstream shall refund any amount of overcharge, and Producer shall pay any amount of undercharge, within thirty (30) Days after final determination thereof, provided, however, that no retroactive adjustment will be made beyond a period of twenty-four (24) Months from the date of a statement hereunder.

Section 12.2 Right to Suspend on Failure to Pay. If any undisputed amount due hereunder remains unpaid for sixty (60) Days after the due date, Midstream shall have the right to suspend or discontinue Services hereunder until any such past due amount is paid.

Section 12.3 Audit Rights. Either Party, on not less than thirty (30) Days prior written notice to the other Party, shall have the right at its expense, at reasonable times during normal business hours, but in no event more than twice in any period of twelve (12) consecutive Months, to audit the books and records of the other Party to the extent necessary to verify the accuracy of any statement, allocation, measurement, computation, charge, payment made under, or obligation or right pursuant to this Agreement. The scope of any audit shall be limited to transactions affecting Water volumes hereunder or the Cost of Service Fee and shall be limited to the twenty-four (24) Month period immediately prior to the Month in which the notice requesting an audit was given. All statements, allocations, measurements, computations, charges, or payments made in any period prior to the twenty-four (24) Month period immediately prior to the Month in which the audit is requested shall be conclusively deemed true and correct and shall be final for all purposes.

Section 12.4 Payment Disputes. In the event of any dispute with respect to any payment hereunder, Producer shall make timely payment of all undisputed amounts, and Midstream and Producer will use good faith efforts to resolve the disputed amounts within sixty (60) Days following the original due date. Any amounts subsequently resolved shall be due and payable within ten (10) Days of such resolution.

Section 12.5 Interest on Late Payments. In the event that Producer shall fail to make timely payment of any sums, except those contested in good faith or those in a good faith dispute, when due under this Agreement, interest will accrue at an annual rate equal to ten percent (10%) from the date payment is due until the date payment is made.

Section 12.6 Credit Assurance. Midstream shall apply consistent evaluation practices to all similarly situated customers to determine the new Producer's financial ability to perform its payment obligations under this Agreement.

(a) If Midstream has reasonable grounds for insecurity regarding the performance of any obligation by Producer

under this Agreement (whether or not then due), Midstream may demand Adequate Assurance of Performance from Producer, which Adequate Assurance of Performance shall be provided to Midstream within five (5) Days after written request. If Producer fails to provide such Adequate Assurance of Performance within such time,

then Midstream may suspend its performance under this Agreement until such Adequate Assurance of Performance is provided. However, any action by Midstream shall not relieve Producer of its payment obligations. The exercise by Midstream of any right under this Section 12.6 shall be without prejudice to any claims for damages or any other right under this Agreement. As used herein, “*Adequate Assurance of Performance*” means any of the following, in Midstream’s reasonable discretion:

(i) an irrevocable standby letter of credit in an amount not to exceed an amount that is equal to sixty (60) Days of Producer’s payment obligations hereunder from a financial institution rated at least A- by S&P or at least A3 by Moody’s in a form and substance satisfactory to Midstream;

(ii) cash collateral in an amount not to exceed an amount that is equal to sixty (60) Days of Producer’s payment obligations hereunder to be deposited in an escrow account as designated by Midstream; Midstream is hereby granted a security interest in and right of set-off against all cash collateral, which is or may hereafter be delivered or otherwise transferred to such escrow account in connection with this Agreement; or

(iii) a guaranty in an amount not to exceed an amount that is equal to sixty (60) Days of Producer’s payment obligations hereunder reasonably acceptable to Midstream.

(b) The term of any security provided under this Section 12.6 shall be as reasonably determined by Midstream, but it shall never exceed sixty (60) Days, after which the security shall terminate (or in the case of cash collateral, be immediately returned by Midstream to Producer without further action by either Party). Nothing shall prohibit Midstream, however, from requesting additional Adequate Assurance of Performance following the end of any such term, so long as the conditions triggering such a request under this Section 12.6 exist.

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

Section 12.7 Excused Performance. Midstream will not be required to perform or continue to perform Services, and Producer shall not be obligated to obtain Water under this Agreement, in the event:

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

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

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

ARTICLE 13 FORCE MAJEURE

Section 13.1 Suspension of Obligations. In the event a Party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement, other than the obligation to make payments then or thereafter due hereunder, and such Party promptly gives notice and reasonably full particulars of such Force Majeure in writing to the other Party promptly after the occurrence of the cause relied on, then the obligations of the Party giving such notice, so far as and to the extent that they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall so far as reasonably possible be remedied with all reasonable dispatch by the Party claiming Force Majeure.

Section 13.2 Definition of Force Majeure. The term “*Force Majeure*” as used in this Agreement shall mean any cause or causes not reasonably within the control of the Party claiming suspension and which, by the exercise of reasonable diligence, such Party is unable to prevent or overcome, including acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, acts of terror, sabotage, wars, blockades, military action, insurrections, riots, epidemics, landslides, subsidence, lightning, earthquakes, fires, storms or storm warnings, crevasses, floods, washouts, civil disturbances, explosions, breakage or accident to wells, machinery, equipment or lines of pipe, the necessity for testing or making repairs or alterations to wells, machinery, equipment or lines of pipe, freezing of wells, equipment or lines of pipe, inability of any Party hereto to obtain, after the exercise of reasonable diligence, necessary materials, supplies, or government authorizations, any action or restraint by any Governmental Authority (so long as the Party claiming suspension has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such action or

restraint, and as long as such action or restraint is not the result of a failure by the claiming Party to comply with any Applicable Law), and any breach of any representation or warranty of Producer or any failure by Producer to perform any obligation of Producer under that certain [Contribution Agreement] dated [], 2013, by and between Producer and Midstream.

Section 13.3 Settlement of Strikes and Lockouts. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the sole discretion of the Party having the difficulty.

Section 13.4 Payments for Water Made Available. Notwithstanding the foregoing, it is specifically understood and agreed by the Parties that an event of Force Majeure will in no way affect or terminate Producer's obligation to make payment for volumes of Water made available prior to such event of Force Majeure.

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ARTICLE 14 INDEMNIFICATION

Section 14.1 Midstream. Subject to the terms of this Agreement, including Section 17.8, Midstream shall release, indemnify, defend, and hold harmless Producer and its Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees from and against all claims and losses arising out of or relating to (i) the operations of Midstream and (ii) any breach of this agreement by Midstream.

Section 14.2 Producer. Subject to the terms of this Agreement, including Section 17.8, Producer shall release, indemnify, defend, and hold harmless Midstream and its Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees from and against all claims and losses arising out of or relating to (i) the operations of Producer and (ii) any breach of this agreement by Producer.

ARTICLE 15 CUSTODY AND TITLE

Section 15.1 Custody. As among the Parties, Producer shall be in custody, control and possession of (i) Water until such Water is taken into the Water Facilities at the Take Points and (ii) Water after such Water is made available at the Delivery Points or until such Water is picked up by Producer at a System Facility. As among the Parties, Midstream shall be in custody, control and possession of all Water in the Water Facilities at all other times. Except as otherwise provided in this Agreement, the Party having custody and control of Water under the terms of this Agreement shall be responsible for, and shall defend, indemnify, release and hold the other Party and its Affiliates, directors, officers, employees, agents, consultants, representatives, and invitees harmless from and against, all claims and losses of whatever kind and nature for anything that may happen or arise with respect to such Water when such Water is in its custody and control, including losses resulting from any negligent acts or omissions of any indemnified party, but excluding any losses to the extent caused by or arising out of the negligence, gross negligence, or willful misconduct of the indemnified party.

ARTICLE 16 PAYMENTS FOR WATER; TAXES

Section 16.1 Payments for Water; Taxes. To the extent that any Person is entitled to any payment in respect of Water taken from any Take Point, including any taxes, Producer shall pay or cause to be paid and agrees to hold Midstream harmless as to the payment of all such payments or taxes. Midstream shall not become liable for such payments or taxes, unless designated to remit those taxes on behalf of Producer by any duly constituted Governmental Authority having authority to impose such obligations on Midstream, in which event the amount of such taxes remitted on Producer's behalf shall be reimbursed by Producer upon receipt of invoice, with corresponding documentation from Midstream setting forth such payments. Midstream shall pay or cause to be paid all taxes, charges and assessments of every kind and character required by statute or by order of Governmental Authorities with respect to the Water Facilities. Except as provided in Exhibit H attached hereto, neither Party shall be responsible nor liable for any taxes or other statutory charges levied or

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assessed against the facilities of the other Party, including ad valorem tax (however assessed), used for the purpose of carrying out the provisions of this Agreement or against the net worth or capital stock of such Party. Notwithstanding the foregoing, to the extent that such payments or taxes relate to Water that is made available to a third party pursuant to Section 6.3(d), Midstream shall look only to such third party, and not to Producer, for payment or reimbursement of such payments and taxes to the extent relating to the Water made available to such third party, and shall use reasonable efforts to ensure that Water not subject to such payments and taxes is made available to Producer in preference to third parties.

ARTICLE 17 MISCELLANEOUS

Section 17.1 Rights. The failure of either Party to exercise any right granted hereunder shall not impair nor be deemed a waiver of that Party's privilege of exercising that right at any subsequent time or times.

Section 17.2 Applicable Laws. This Agreement is subject to all valid present and future laws, regulations, rules and orders of Governmental Authorities now or hereafter having jurisdiction over the Parties, this Agreement, or the services performed or the facilities utilized under this Agreement. To the extent that the performance of the Services by Midstream shall at any point in time become prohibited or restricted by Applicable Laws or the provisions of any Governmental Approval, Midstream shall be relieved from its obligations to perform such Services.

Section 17.3 Governing Law; Jurisdiction.

(a) This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Colorado without regard to choice of law principles.

(b) The Parties agree that the appropriate, exclusive and convenient forum for any disputes between the Parties arising out of this Agreement or the transactions contemplated hereby shall be in any state or federal court in City and County of Denver, Colorado, and each of the Parties irrevocably submits to the jurisdiction of such courts solely in respect of any proceeding arising out of or related to this Agreement. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Agreement or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts.

Section 17.4 Successors and Assigns.

(a) This Agreement shall extend to and inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

(b) To the extent any Affiliate of Producer acquires any Oil and Gas Interests or any water facilities, Producer shall cause such Affiliate to comply with the obligations of Producer under Article 2 of this Agreement with respect to its Oil and Gas Interests and to enter into an agreement with Midstream substantially the same as this Agreement.

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(c) Except as set forth in Section 17.4(d) and Section 17.4(e), neither Party shall have the right to assign its respective rights and obligations in whole or in part under this Agreement without the prior written consent of the other Party (which such consent shall not be unreasonably withheld, conditioned or delayed), and any assignment or attempted assignment made otherwise than in accordance with this Section 17.4 shall be null and void *ab initio*.

(d) Notwithstanding the foregoing clause (c), Midstream may perform all services under this Agreement itself using its own water facilities and/or perform any or all such services through third parties, in which case references herein to the Water Facilities shall be deemed to be references to such facilities of the relevant third party.

(e) Notwithstanding the foregoing clause (c):

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

(ii) Midstream shall have the right to grant a security interest in this Agreement to a lender or other debt provider (or trustee or agent on behalf of such lender) of Midstream.

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

(f) Upon an assignment by Midstream in accordance with Section 17.4(e)(i)(B) Midstream shall be released from its obligations under this Agreement to the extent of such assignment. Upon an assignment by Producer in accordance with Section 17.4(e)(ii), Producer shall be released from its obligations under this Agreement to the extent of such assignment.

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Section 17.5 Severability. If any provision of this Agreement is determined to be void or unenforceable, in whole or in part, then (i) such provision shall be deemed inoperative to the extent it is deemed void or unenforceable, (ii) the Parties agree to enter into such amendments to this Agreement in order to give effect, to the greatest extent legally possible, to the provision that is determined to be

void or unenforceable and (iii) the other provisions of this Agreement in all other respects shall remain in full force and effect and binding and enforceable to the maximum extent permitted by Applicable Law; provided, however, that in the event that a material term under this Agreement is so modified, the Parties will, timely and in good faith, negotiate to revise and amend this Agreement in a manner which preserves, as closely as possible, each Party's business and economic objectives as expressed by the Agreement prior to such modification.

Section 17.6 Confidentiality.

(a) Confidentiality. Except as otherwise provided in this Section 17.6, each Party agrees that it shall maintain all terms and conditions of this Agreement, and all information disclosed to it by the other Party or obtained by it in the performance of this Agreement and relating to the other Party's business (including Development Plans, Water Facilities Plans, and all data relating to the production of Producer) (collectively, "**Confidential Information**") in strictest confidence, and that it shall not cause or permit disclosure of this Agreement or its existence or any provisions contained herein without the express written consent of the other Party.

(b) Permitted Disclosures. Notwithstanding Section 17.6(a) disclosures of any Confidential Information may be made by either Party (i) to the extent necessary for such Party to enforce its rights hereunder against the other Party; (ii) to the extent to which a Party is required to disclose all or part of this Agreement by a statute or by the order or rule of a Governmental Authority exercising jurisdiction over the subject matter hereof, by order, by regulations, or by other compulsory process (including deposition, subpoena, interrogatory, or request for production of documents); (iii) to the extent required by the applicable regulations of a securities or commodities exchange; (iv) to a third person in connection with a proposed sale or other transfer of a Party's interest in this Agreement, provided such third person agrees in writing to be bound by the terms of this Section 17.6; (v) to its own directors, officers, employees, agents and representatives; (vi) to an Affiliate; (vii) to financial advisors, attorneys, and banks, provided that such Persons are subject to a confidentiality undertaking consistent with this Section 17.6(b), or (viii) except for information disclosed pursuant to Article 3 of this Agreement, to a royalty, overriding royalty, net profits or similar owner burdening production from the Service Area Properties, provided such royalty, overriding royalty, net profits or similar owner, agrees in writing to be bound by the terms of this Section 17.6.

(c) Notification. If either Party is or becomes aware of a fact, obligation, or circumstance that has resulted or may result in a disclosure of any of the terms and conditions of this Agreement authorized by Section 17.6(b)(ii) or (iii), it shall so notify in writing the other Party promptly and shall provide documentation or an explanation of such disclosure as soon as it is available.

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(d) Party Responsibility. Each Party shall be deemed solely responsible and liable for the actions of its directors, officers, employees, agents, representatives and Affiliates for maintaining the confidentiality commitments of this Section 17.6.

(e) Public Announcements. The Parties agree that prior to making any public announcement or statement with respect to this Agreement or the transaction represented herein permitted under this Section 17.6, the Party desiring to make such public announcement or statement shall provide the other Party with a copy of the proposed announcement or statement prior to the intended release date of such announcement. The other Party shall thereafter consult with the Party desiring to make the release, and the Parties shall exercise their reasonable best efforts to (i) agree upon the text of a joint public announcement or statement to be made by both such Parties or (ii) in the case of a statement to be made solely by one Party, obtain approval of the other Party to the text of a public announcement or statement. Nothing contained in this Section 17.6 shall be construed to require either Party to obtain approval of the other Party to disclose information with respect to this Agreement or the transaction represented herein to any Governmental Authority to the extent required by Applicable Law or necessary to comply with disclosure requirements of the Securities and Exchange Commission, New York Stock Exchange, or any other regulated stock exchange.

(f) Survival. The provisions of this Section 17.6 shall survive any expiration or termination of this Agreement; provided that other than with respect to information disclosed pursuant to Article 3, as to which such provisions shall survive indefinitely, such provisions shall survive only a period of one (1) year.

Section 17.7 Entire Agreement, Amendments and Waiver. This Agreement, including all exhibits hereto, integrates the entire understanding between the Parties with respect to the subject matter covered and supersedes all prior understandings, drafts, discussions, or statements, whether oral or in writing, expressed or implied, dealing with the same subject matter. This Agreement may not be amended or modified in any manner except by a written document signed by the Parties that expressly amends this Agreement. No waiver by either Party of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless expressly provided. No waiver shall be effective unless made in writing and signed by the Party to be charged with such waiver.

Section 17.8 Limitation of Liability. **NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES SUFFERED BY SUCH PARTY RESULTING FROM OR ARISING OUT OF THIS AGREEMENT OR THE BREACH THEREOF OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER TORT, NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT, WARRANTY, INDEMNITY OR OTHERWISE, INCLUDING LOSS OF USE, INCREASED COST OF OPERATIONS, LOSS OF PROFIT OR REVENUE, OR BUSINESS INTERRUPTIONS; PROVIDED, HOWEVER, THAT THE FOREGOING LIMITATION SHALL NOT APPLY TO ANY DAMAGE CLAIM ASSERTED BY OR AWARDED TO A THIRD PARTY FOR WHICH**

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A PARTY WOULD OTHERWISE BE LIABLE UNDER ANY INDEMNIFICATION PROVISION SET FORTH HEREIN.

Section 17.9 Headings. The headings and captions in this Agreement have been inserted for convenience of reference only and shall not define or limit any of the terms and provisions hereof.

Section 17.10 Rights and Remedies. Except as otherwise provided in this Agreement, each Party reserves to itself all rights, counterclaims, other remedies and defenses that such Party is or may be entitled to arising from or out of this Agreement or as otherwise provided by Applicable Law.

Section 17.11 No Partnership. Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture or impose a trust, fiduciary or partnership duty, obligation or liability on or with regard to either Party.

Section 17.12 Rules of Construction. In construing this Agreement, the following principles shall be followed:

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

Section 17.13 No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, and shall not inure to the benefit of any other Person whomsoever or whatsoever, it being the intention of the Parties that no third Person shall be deemed a third party beneficiary of this Agreement.

Section 17.14 Further Assurances. Each Party shall take such acts and execute and deliver such documents as may be reasonably required to effectuate the purposes of this Agreement.

Section 17.15 Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be considered an original, and all of which shall be considered one and the same instrument.

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

ANTERO RESOURCES CORPORATION

By: _____
Name: _____
Title: _____

ANTERO RESOURCES MIDSTREAM LLC

By: _____
Name: _____
Title: _____

**FORM OF LIMITED LIABILITY COMPANY AGREEMENT
OF
ANTERO RESOURCES MIDSTREAM LLC**

a Delaware limited liability company

This LIMITED LIABILITY COMPANY AGREEMENT (this “*Agreement*”) of ANTERO RESOURCES MIDSTREAM LLC, dated as of [·], 2013, is adopted, executed and agreed to by the Members (as defined below).

1. **Formation.** Antero Resources Midstream LLC (the “*Company*”) has been formed as a Delaware limited liability company under and pursuant to the Delaware Limited Liability Company Act (the “*Act*”). [·], as an authorized person within the meaning of the Act, has executed, delivered and filed the certificate of formation of the Company, and such execution, delivery and filing is hereby authorized, confirmed, adopted and ratified.

2. **Term.** The Company shall have perpetual existence, until cancellation of the certificate of formation of the Company as provided in the Act.

3. **Purposes.** The purposes of the Company are to carry on any lawful business, purpose or activity for which limited liability companies may be formed under the Act.

4. **Interests.** The Company shall have two classes of members and associated interests in the Company, with such interests being referred to as “Common Economic Interests” and “Special Interests”. The Common Economic Interests shall represent the right to a 100% share of the Company’s distributions and shall have such other designations, preferences and rights as are expressly specified in this Agreement. The Special Interests shall represent the right to cause the Company to take the actions specified in Section 16 hereof and shall have such other designations, preferences and other rights as are expressly specified in this Agreement (but shall not, for the avoidance of doubt, entitle any holder thereof to share in the Company’s distributions).

5. **Members.** Antero Resources Midstream Management LLC, a Delaware limited liability company (“*Antero Midstream Management*”), and Antero Resources Corporation (“*Antero*” and with Antero Midstream Management, the “*Initial Members*”), shall be the initial members of the Company (the “*Members*”). No additional Members shall be admitted to the Company without the written consent of Antero Midstream Management.

6. **Issuance of Initial Interests.** All of the authorized Common Economic Interests have been issued to Antero and all of the authorized Special Interests have been issued to Antero Midstream Management.

7. **Allocations.** All items of income, gain, loss deduction and credit of the Company shall be allocated among the Members holding Common Economic Interests in proportion to their holdings of such Common Economic Interests.

8. **Distributions.** Distributions (including, without limitation, liquidating distributions) made by the Company shall be allocated among the Members holding Common Economic Interests in proportion to their holdings of such Common Economic Interests. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not be required to make a

distribution to a Member or any holder of Common Economic Interests on account of its interest in the Company if such distribution would violate the Act or any other applicable law.

9. **Management.** Subject to the rights and limitations set forth in Section 16 hereof, the management of the Company shall be exclusively vested in Antero (or any successor Member holding Common Economic Interests), and the Company shall not have “managers,” as that term is used in the Act. Except as set forth in this Agreement, 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, Antero (or any successor Member holding Common Economic Interests). For the avoidance of doubt, except pursuant to Section 16, no initial public offering of equity securities of the Company or any successor thereto may be effected without the written agreement of each of the Members.

10. **Officers.** Antero may designate one or more persons to be officers of the Company. Officers are not “managers,” as that term is used in the Act. Any officers who are so designated shall have such titles and authority and perform such duties as Antero may delegate to them. Unless the authority of an officer is limited by Antero, any officer so appointed shall have the same authority to act for the Company as a corresponding officer of a Delaware corporation would have to act for a Delaware corporation in the absence of a specific delegation of authority. Any decision or act of an officer within the scope of the officer’s designated or delegated authority shall control and shall bind the Company (and any business entity for which the Company exercises direct or indirect executory authority).

11. **Dissolution.** The Company shall dissolve and its affairs shall be wound up at such time, if any, as Antero may elect, subject to the approval of Antero Midstream Management. To the fullest extent permitted by applicable law, no other event will cause the Company to dissolve. Notwithstanding any other provision of this Agreement, the bankruptcy (as such term is used in the Act) of a Member shall not cause such Member to cease to be a member of the Company.

12. **Governing Law.** THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE (EXCLUDING ITS CONFLICT-OF-LAWS RULES).

13. **Amendments.** This Agreement may not be modified, altered, supplemented or amended except by a written agreement executed and delivered by each of the Members.

14. **Liability.** The Members and the officers of the Company shall not have any liability for the obligations, debts or liabilities of the Company except to the extent provided in the Act.

15. **Duties, Exculpation and Indemnity.**

(a) Notwithstanding any other provisions of this Agreement, whether express or implied, or any obligation or duty at law or in equity, to the fullest extent permitted by applicable law, the Members shall have no fiduciary or other duties (including any duty of disclosure) to the Company, the other Members or any other person or entity that is a party to or bound by this Agreement. To the fullest extent permitted by applicable law, neither any Member, nor their partners, members or equityholders nor any of their respective directors, managers, officers or employees (individually, a “**Member Covered Person**” and, collectively, the “**Member Covered Persons**”) shall, in their capacities as Member Covered Persons, be liable or accountable in

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damages or otherwise to the Company or any other person or entity that is a party to or bound by this Agreement for any act or omission done or omitted by any Member Covered Person unless such act or omission constituted fraud or willful misconduct. To the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless each Member Covered Person against any loss, liability, damage, judgment, demand, claim, cost or expense incurred by or asserted against such Member Covered Person (including, without limitation, reasonable attorneys’ fees and disbursements incurred in the defense thereof) arising out of any act or omission of any Member Covered Person in its capacity as a Member Covered Person in connection with 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 acknowledgements and agreements set forth in this Agreement, such Member Covered Person engaged in fraud or willful misconduct. Notwithstanding the preceding sentence, the Company shall be required to indemnify a Member Covered Person in connection with a proceeding (or part thereof) commenced by such Member Covered Person only if the commencement of such proceeding (or part thereof) by the Member Covered Person was authorized in the specific case by the Members of the Company. Reasonable expenses, including reasonable attorneys’ fees and disbursements, incurred by any Member Covered Person and relating to any proceeding in connection with which indemnification is sought under this Section 15 shall be advanced by the Company upon written demand by such Member Covered Person; provided that such Member Covered Person shall reimburse the Company for such expenses if it is finally determined that such Member Covered Person is not entitled to indemnification hereunder.

(b) To the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless (i) each officer of the Company and (ii) each person who is or was an employee of the Company or a director, officer or employee of any subsidiary of the Company who Antero expressly designates as being entitled to the rights to indemnification set forth in this Section 15(b) in a written resolution (individually, an “**O&E Covered Person**” and, collectively, the “**O&E Covered Persons**”) against any loss, liability, damage, judgment, demand, claim, cost or expense incurred by or asserted against the O&E Covered Person (including, without limitation, reasonable attorneys’ fees and disbursements incurred in the defense thereof) arising out of any act or omission of the O&E Covered Person in its capacity as an O&E Covered Person in connection with the Company to the same extent as if the Company were a corporation organized under the laws of the State of Delaware that indemnified and held harmless its directors, officers, employees and agents to the fullest extent permitted under Section 145 of the General Corporation Law of the State of Delaware as in effect on date of this Agreement (but including any expansion of rights to indemnification thereunder from and after the date of this Agreement), 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 acknowledgements and agreements set forth in this Agreement, such O&E Covered Person would not be so entitled to be indemnified and held harmless if the Company were a corporation organized under the laws of the State of Delaware that indemnified and held harmless its directors, officers, employees and agents to the fullest extent permitted under Section 145 of the General Corporation Law of the State of Delaware as in effect on date of this Agreement (but including any expansion of rights to indemnification thereunder from and after the date of this Agreement). Notwithstanding the preceding sentence, the Company shall be required to indemnify an O&E Covered Person in connection with a proceeding (or part thereof) commenced by such O&E Covered Person only if the commencement of such proceeding (or part thereof) by the O&E Covered Person was authorized in the specific case by the Members of the Company. Reasonable expenses, including reasonable attorneys’ fees and disbursements,

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incurred by a O&E Covered Person and relating to any proceeding in connection with which indemnification is sought under this Section 15 shall be advanced by the Company upon written demand by such O&E Covered Person; provided that such O&E Covered Person shall reimburse the Company for such expenses if it is finally determined that such O&E Covered Person is not entitled to indemnification hereunder.

16. **Special Interests.** The holders of the Special Interests may, in their sole discretion and acting unanimously, but without the consent of any other Member or other person or entity, deliver a written notice to the Company and each other Member of their intent to initiate a Qualified Public Offering pursuant to this Section 16 and may, without the consent of any other Member or other person or entity, thereafter cause the Company to convert into, or exchange all of the Company’s outstanding limited liability company interests for, interests in a limited partnership organized pursuant to the laws of the State of Delaware (the “**MLP Issuer**”), and to initiate and approve an underwritten initial public offering of the MLP Issuer in the form of a master limited partnership or similar structure (a “**Qualified Public Offering**”). In connection with a Qualified Public Offering, (i) the Special Interests will convert in accordance with this Section 16

solely into a non-economic general partner interest in the MLP Issuer and all of the incentive distribution rights (the “*IDRs*”) in the MLP Issuer and (ii) the Common Economic Interests will be exchanged for or convert solely into all of the common units of the MLP Issuer (including any subordinated common units) and other limited partner interests (if any) of the MLP Issuer that are not sold to the public in the Qualified Public Offering (collectively, the “*IPO Conversion*”). Notwithstanding anything to the contrary in this Agreement, at any time after delivering such written notice, the holders of the Special Interests shall be solely entitled and authorized to approve all transactions necessary to effect the IPO Conversion and the Qualified Public Offering, including: (i) determining the terms of the initial and the amended and restated organizational documents of the MLP Issuer; (ii) the formation of any entities required or necessary in connection with the IPO Conversion or the Qualified Public Offering; and (iii) causing to be transferred any assets between or among the Company, Antero, the MLP Issuer and any of the Company’s subsidiaries. If the holders of the Special Interests elect to exercise the right to initiate a Qualified Public Offering under this Section 16, each of the Members shall (i) take such actions as may be reasonably requested in connection with consummating the IPO Conversion and (ii) use commercially reasonable efforts to cooperate with the other Initial Member so that the IPO Conversion is undertaken in as tax-efficient a manner as reasonably practicable. Any Qualified Public Offering (and the terms of the interests in the MLP Issuer) shall be substantially consistent with the terms set forth on Annex A hereto. Each Member hereby irrevocably makes, constitutes and appoints Antero Midstream Management as its true and lawful agent and attorney-in-fact, with full power of substitution to its affiliates and full power and authority in its name, place and stead, to make, execute, sign, acknowledge, swear to, record and file all instruments required or necessary to effect an IPO Conversion or Qualified Public Offering, including any instruments related to any subscription by the Member in any MLP Issuer, and all other instruments required or necessary to facilitate a Qualified Public Offering in accordance with this Section 16.

Prior to a Qualified Public Offering, the Company may not sell, transfer or otherwise dispose of any of Antero’s or the Company’s midstream assets without the written consent of Antero Midstream Management. The Company shall not amend or modify any agreement between the Company on the one hand, and Antero on the other, without the written consent of Antero Midstream Management.

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Unless a clear contrary intention appears, all references in this Section 16 and in Annex A to Antero Midstream Management shall be deemed to be references to the holder or holders of the Special Interests in the event of any permitted transfer of such interests prior to a Qualified Public Offering.

17. **Transfers of Limited Liability Company Interests.** Prior to the consummation of a Qualified Public Offering, other than as may be required in connection with an IPO Conversion, no Member may directly or indirectly transfer or otherwise dispose of all or any portion of such Member’s interests in the Company without the prior unanimous consent of each of the other Members; provided that Antero Midstream Management (or any of its permitted transferees of its interests in the Company) may, without the consent of any other person or entity, transfer all or a portion of its Special Interests to any person or entity that directly or indirectly Controls, is Controlled by or is under common Control with, Antero Midstream Management (or such permitted transferee). For purposes of this Agreement “Control” (and correlative forms thereof) means possession, directly or indirectly (through one or more intermediaries), 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 or entity. Any permitted transferee of liability company interests in the Company shall be automatically admitted to the Company as a Member (holding the applicable class of interests transferred) upon the delivery to the Company of a joinder agreement pursuant to which such person or entity ratifies this Agreement, agrees to be bound by this Agreement to the same extent as if the transferee were an original party to this Agreement and shall assume all obligations of a Member (holding the applicable class of interests transferred) under this Agreement. If a Member transfers all of its interests in the Company in accordance with this Section 17, such Member shall cease to be a member of the Company immediately after the admission of the permitted transferee as a Member of the Company.

18. **Reimbursement for Services.** Prior to the consummation of a Qualified Public Offering, Antero shall provide to the Company customary management and general administrative services. The Company, or a Member on the Company’s behalf, shall reimburse Antero at cost for the direct expenses incurred on the Company’s behalf and a proportionate amount for the indirect expenses incurred on the Company’s behalf, including, but not limited to, compensation expenses. After any Qualified Public Offering, such services will be provided for, and reimbursed in accordance with, the terms set forth on Annex A hereto.

19. **Severability; Counterparts.** Each provision of this Agreement shall be considered severable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

[Signature Page Follows]

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IN WITNESS WHEREOF, the undersigned, being the Initial Members of the Company, have caused this Limited Liability Company Agreement to be duly executed as of the date first set forth above.

ANTERO RESOURCES CORPORATION

By: _____
Name:
Title:

**ANTERO RESOURCES MIDSTREAM
MANAGEMENT LLC**

By: _____
Name:
Title:

SIGNATURE PAGE TO
LIMITED LIABILITY COMPANY AGREEMENT OF ANTERO RESOURCES MIDSTREAM LLC

ANNEX A: SUMMARY OF PRINCIPAL TERMS OF QUALIFIED PUBLIC OFFERING

- Master Limited Partnership:** Antero Resources Midstream LLC, a Delaware limited liability company, will convert into a Delaware limited partnership (the “*Partnership*”).
- Capital Structure:** Common units, subordinated units, non-economic general partner interest and incentive distribution rights (“*IDRs*”).
- Common Units:** 50% of the outstanding limited partner interests (other than the incentive distribution rights) in the Partnership. All of the common units will be held by Antero Resources Corporation (“*Antero*”) prior to the consummation of the Qualified Public Offering. Common units will accrue arrearages in quarters in which the minimum quarterly distribution (the “*MQD*”) is not paid.
- Subordinated Units:** 50% of the outstanding limited partner interests (other than the incentive distribution rights) in the Partnership. Subordinated units will initially all be held by Antero. During the subordination period, subordinated units will not be entitled to receive distributions until the common units have received the MQD plus any arrearages in the payment of the MQD from prior quarters. Subordinated units will not accrue arrearages.
- Subordination Period:** Three years from the closing date of the initial public offering of the Partnership, with the possibility of ending earlier if customary earn and pay tests are met.
- General Partner:** Antero Resources Midstream Management LLC (“*Antero Midstream Management*”).
- General Partner Interest:** Antero Midstream Management will hold a non-economic general partner interest in the Partnership. The non-economic general partner interest will allow Antero Midstream Management to manage the Partnership’s business and affairs, but will not be entitle it to receive any cash distributions.
- Pricing Terms:** Antero Midstream Management will have the sole ability to establish the terms on which the Partnership securities may be offered in an initial public offering, including but not limited to, (i) the aggregate number of shares of Common Units, Subordinated Units and IDRs to be offered, (ii) the price at which the Common Units will be sold by the Partnership and (iii) the underwriting discounts and

ANNEX A-1

commissions to be paid to any underwriter of the initial public offering.

- Incentive Distribution Rights:** Right to receive an increasing percentage of quarterly distributions of available cash in excess of the MQD when certain target distribution levels have been achieved. These target distribution levels will be set at 115%, 125% and 150% of the MQD. All incentive distribution rights will be held by Antero Midstream Management. The IDRs will have customary splits for distributions as follows:

	Marginal Percentage Interest in Distributions	
	Unitholders	Incentive Distribution Rights
Minimum Quarterly Distribution	100.0%	—
115% of Minimum Quarterly Distribution	85.0%	15.0%

125% of Minimum Quarterly Distribution	75.0%	25.0%
150% of Minimum Quarterly Distribution	50.0%	50.0%

Distributions: Subject to applicable law, the Partnership will distribute all available cash generated each quarter, with “available cash” defined as cash flow from operations for the quarter, less cash needed for maintenance capital expenditures, debt service and other capital obligations, and reserves for future operating or capital needs that the board of directors of the General Partner of the Partnership deems appropriate.

Minimum Quarterly Distribution: The MQD will be based on a customary coverage ratio based on the forecast included in the final prospectus for the Qualified Public Offering, to be determined in the discretion of Antero Midstream Management.

Provision of Services: Antero shall provide customary management and general administrative services to the Partnership. The General Partner shall reimburse Antero at cost for its direct expenses incurred on behalf of the Partnership and a proportionate amount of its indirect expenses incurred on behalf of the Partnership, including, but not limited to, compensation expenses.

Consent of Independent Registered Public Accounting Firm

The Board of Directors and Members
Antero Resources LLC:

We consent to the use of our report included herein and to the reference to our firm under the heading "Experts" in Amendment No. 3 to the Registration Statement.

/s/ KPMG LLP

KPMG LLP
Denver, Colorado
September 23, 2013

DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

September 23, 2013

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 each of our reports dated February 14, 2011, January 27, 2012, July 23, 2013, and July 24, 2013 related to the Appalachian Basin properties of Antero Resources LLC, found in the Marcellus, Upper Devonian and Utica Shales, and from our reports dated February 17, 2011 and January 27, 2012 related to the Arkoma Basin, Woodford Shale and Fayetteville Shale properties of Antero Resources Corporation in the form and context in which they appear in this Amendment No. 3 to the Registration Statement on Form S-1 of Antero Resources 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

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 Amendment No. 3 to the Registration Statement on Form S-1 of Antero Resources 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 reports dated January 19, 2012 and January 28, 2011 relating to the estimates of the oil and gas reserves and related revenues of Antero Resources Corporation's Piceance Basin Properties.

We further consent to the reference to this firm under the heading "EXPERTS" in Amendment No. 3 to the Registration Statement and related prospectus.

/s/ Ryder Scott Company, LP

Ryder Scott Company, LP

Denver, Colorado
September 23, 2013

Consent of Director Nominee

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”), in connection with the Registration Statement on Form S-1 (the “**Registration Statement**”) of Antero Resources Corporation (the “**Company**”), the undersigned hereby consents to being named and described as a director nominee in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 19th day of September, 2013.

/s/ Robert J. Clark

Robert J. Clark

Consent of Director Nominee

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”), in connection with the Registration Statement on Form S-1 (the “**Registration Statement**”) of Antero Resources Corporation (the “**Company**”), the undersigned hereby consents to being named and described as a director nominee in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 18th day of September, 2013.

/s/ Benjamin A. Hardesty

Benjamin A. Hardesty

Consent of Director Nominee

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”), in connection with the Registration Statement on Form S-1 (the “**Registration Statement**”) of Antero Resources Corporation (the “**Company**”), the undersigned hereby consents to being named and described as a director nominee in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 20th day of September, 2013.

/s/ James R. Levy

James R. Levy
