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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 31, 2018**

ANTERO MIDSTREAM PARTNERS LP

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-36719
(Commission File Number)

46-4109058
(IRS Employer
Identification Number)

1615 Wynkoop Street
Denver, Colorado 80202
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including Area Code **(303) 357-7310**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On October 31, 2018, Antero Midstream Partners LP (“Antero Midstream”) entered into a First Amendment and Joinder Agreement (the “First Amendment”). The First Amendment amended Antero Midstream’s Amended and Restated Credit Agreement, dated as of October 26, 2017, by and among Antero Midstream, the lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent (the “Credit Agreement”) to, among other things, (i) increase the aggregate lender commitments to \$2.0 billion, (ii) permit Antero Midstream and its guarantors, as defined in the Credit Agreement, to consummate the transactions set forth in the Simplification Agreement, dated as of October 9, 2018, by and among AMGP GP LLC, Antero Midstream GP LP, Antero IDR Holdings LLC, Arkrose Midstream Preferred Co LLC, Arkrose Midstream NewCo Inc., Arkrose Midstream Merger Sub LLC, Antero Midstream Partners GP LLC and Antero Midstream and (iii) modify the pricing grid to decrease pricing.

The foregoing description is qualified in its entirety by reference to the First Amendment, a copy of which is attached hereto as Exhibit 10.1 and is incorporated into this Current Report on Form 8-K by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03 of this Current Report on Form 8-K.

Item 7.01 Regulation FD Disclosure.

On November 1, 2018, Antero Midstream held a conference call with analysts and investors to discuss third quarter results. On the call, certain matters relating to the previously announced business combination transaction between Antero Midstream and Antero Midstream GP LP (“AMGP”) were discussed. A transcript of the conference call is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

The information furnished in this Item 7.01 (including the exhibit) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 8.01 Other Events.

To the extent required by law, the information in Item 7.01 of this Form 8-K is incorporated into this Item 8.01.

NO OFFER OR SOLICITATION

This Current Report, including the presentation attached as an exhibit hereto, includes a discussion of a proposed business combination transaction between Antero Midstream and AMGP (the “Transaction”). This communication is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, in any jurisdiction, pursuant to the Transaction or otherwise, nor shall there be any sale, issuance, exchange or transfer of the securities referred to in this document in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

IMPORTANT ADDITIONAL INFORMATION

In connection with the Transaction, AMGP will file with the U.S. Securities and Exchange Commission (“SEC”) a registration statement on Form S-4, that will include a joint proxy statement of Antero Midstream and AMGP and a prospectus of AMGP. The Transaction will be submitted to Antero Midstream’s unitholders and AMGP’s shareholders for their consideration. Antero Midstream and AMGP may also file other documents with the SEC regarding the Transaction. The definitive joint proxy statement/prospectus will be sent to the shareholders of

AMGP and unitholders of Antero Midstream. This document is not a substitute for the registration statement and joint proxy statement/prospectus that will be filed with the SEC or any other documents that AMGP or Antero Midstream may file with the SEC or send to shareholders of AMGP or unitholders of Antero Midstream in connection with the Transaction. **INVESTORS AND SECURITY HOLDERS OF ANTERO MIDSTREAM AND AMGP ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE TRANSACTION WHEN IT BECOMES AVAILABLE AND ALL OTHER RELEVANT DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE TRANSACTION AND RELATED MATTERS.**

Investors and security holders will be able to obtain free copies of the registration statement and the joint proxy statement/prospectus (when available) and all other documents filed or that will be filed with the SEC by AMGP or Antero Midstream through the website maintained by the SEC at <http://www.sec.gov>. Copies of documents filed with the SEC by Antero Midstream will be made available free of charge on Antero Midstream's website at <http://investors.anteromidstream.com/investor-relations/AM>, under the heading "SEC Filings," or by directing a request to Investor Relations, Antero Midstream Partners LP, 1615 Wynkoop Street, Denver, Colorado 75219, Tel. No. (303) 357-7310. Copies of documents filed with the SEC by AMGP will be made available free of charge on AMGP's website at <http://investors.anteromidstreamgp.com/Investor-Relations/AMGP> or by directing a request to Investor Relations, Antero Midstream GP LP, 1615 Wynkoop Street, Denver, Colorado 75219, Tel. No. (303) 357-7310.

PARTICIPANTS IN THE SOLICITATION

AMGP, Antero Midstream, Antero Resources and the directors and executive officers of AMGP and Antero Midstream's respective general partners and of Antero Resources may be deemed to be participants in the solicitation of proxies in respect to the Transaction.

Information regarding the directors and executive officers of Antero Midstream's general partner is contained in Antero Midstream's 2018 Annual Report on Form 10-K filed with the SEC on February 13, 2018, and certain of its Current Reports on Form 8-K. You can obtain a free copy of this document at the SEC's website at <http://www.sec.gov> or by accessing Antero Midstream's website at <http://www.anteromidstream.com>. Information regarding the executive officers and directors of AMGP's general partner is contained in AMGP's 2018 Annual Report on Form 10-K filed with the SEC on February 13, 2018 and certain of its Current Reports on Form 8-K. You can obtain a free copy of this document at the SEC's website at www.sec.gov or by accessing AMGP's website at <http://www.anteromidstreamgp.com>. Information regarding the executive officers and directors of Antero Resources is contained in Antero Resources' 2018 Annual Report on Form 10-K filed with the SEC on February 13, 2018 and certain of its Current Reports on Form 8-K. You can obtain a free copy of this document at the SEC's website at www.sec.gov or by accessing Antero Resources' website at <http://www.anteroresources.com>.

Investors may obtain additional information regarding the interests of those persons and other persons who may be deemed participants in the Transaction by reading the joint proxy statement/prospectus regarding the Transaction when it becomes available. You may obtain free copies of this document as described above.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibits</u>	<u>Description</u>
10.1	<u>First Amendment and Joinder Agreement, dated as of October 31, 2018.</u>
99.1	<u>Transcript of Antero Midstream Partners LP conference call held on November 1, 2018.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ANTERO MIDSTREAM PARTNERS LP

By: Antero Midstream Partners GP LLC,
its general partner

By: /s/ Glen C. Warren, Jr.
Glen C. Warren, Jr.
President and Secretary

Dated: November 2, 2018

FIRST AMENDMENT AND JOINDER AGREEMENT

THIS FIRST AMENDMENT AND JOINDER AGREEMENT, dated as of October 31, 2018 (this “**Agreement**”), by and among the institutions set forth on Schedule 1 hereto (each an “**Incremental Lender**” and collectively the “**Incremental Lenders**”), the other Lenders party hereto, **ANTERO MIDSTREAM PARTNERS LP**, a Delaware limited partnership (the “**Borrower**”), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, as Administrative Agent (the “**Administrative Agent**”), Swingline Lender and an L/C Issuer.

RECITALS:

WHEREAS, reference is hereby made to the Amended and Restated Credit Agreement, dated as of October 26, 2017, by and among the Borrower, each lender (collectively, the “**Lenders**” and individually, a “**Lender**”) and L/C Issuer from time to time party thereto, and Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and an L/C Issuer (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”; capitalized terms used and not otherwise defined herein being used herein as therein defined);

WHEREAS, subject to the terms and conditions of the Credit Agreement, the Borrower may increase the existing Commitments (such increased Commitments, the “**Incremental Revolving Facility Commitments**”) by entering into one or more joinder agreements with the Incremental Lenders;

WHEREAS, pursuant to Section 2.13 of the Credit Agreement, the Administrative Agent and the Borrower may amend the Credit Agreement in order to evidence the existence and terms of the Incremental Revolving Facility Commitments without the consent of other Lenders;

WHEREAS, by executing and delivering a signature page to this Agreement, each Lender with outstanding Commitments (as defined in the Credit Agreement) immediately prior to the Initial Effective Date (as defined below) (each an “**Existing Lender**”) will, upon the Initial Effective Date, either (i) have the Commitments in the principal amount set forth on Schedule 2 attached hereto (such Existing Lenders, the “**Continuing Lenders**”) or (ii) to the extent such Existing Lender is set forth on Annex A hereto and not set forth on Schedule 2 hereto, cease to be a Lender for purposes of the Credit Agreement (such Existing Lenders, the “**Exiting Lenders**”); and

WHEREAS, the Borrower desires to make certain other amendments to the Credit Agreement pursuant to Section 10.01 of the Credit Agreement and as further set forth herein.

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. Incremental Revolving Facility Commitments.

(a) Each Incremental Lender party hereto hereby agrees to commit to provide its respective Incremental Revolving Facility Commitment as set forth on Schedule 1 annexed hereto, on the terms and subject to the conditions set forth below.

(b) On the Initial Effective Date, (i) each of the existing Lenders shall assign to each of the Incremental Lenders, and each of the Incremental Lenders shall purchase from each of the existing Lenders, at the principal amount thereof, such interests in the outstanding Loans and participations in Letters of Credit and Swingline Loans outstanding on the Initial Effective Date that will result in, after giving effect to all such assignments and purchases, such Loans and participations in Letters of Credit and Swingline

Loans being held by existing Lenders and the Incremental Lenders ratably in accordance with their Commitments after giving effect to the addition of the Incremental Revolving Facility Commitments hereby; (ii) each Incremental Revolving Facility Commitment shall be deemed, for all purposes, a Commitment and each loan made thereunder shall be deemed, for all purposes, a Loan and have the same terms as any existing Loan and (iii) each Incremental Lender shall become a Lender with respect to the Incremental Revolving Facility Commitments and all matters relating thereto.

(c) Each Incremental Lender (i) confirms that it has received a copy of the Credit Agreement and the other Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (ii) agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender or agent thereunder and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

(d) For purposes of the Credit Agreement, the initial notice address of each Incremental Lender shall be as set forth below its signature below.

(e) For each Incremental Lender that is a Foreign Lender, delivered herewith to Administrative Agent are such forms, certificates or other evidence with respect to United States federal income tax withholding matters as such Incremental Lender may be required to deliver to Administrative Agent pursuant to subsection 3.01(e) of the Credit Agreement.

SECTION 2. Commitments.

(a) On the Initial Effective Date, each of the Existing Lenders (including each Existing Lender) hereby sells, assigns, transfers and conveys to the Continuing Lenders and Incremental Lenders, and each of the Continuing Lenders and Incremental Lenders hereunder hereby purchases and accepts, so much of the aggregate Commitments under, and Loans and participations in Letters of Credit and Swingline Loans outstanding under, the Credit Agreement such that, immediately after giving effect to the effectiveness of this Agreement, the relevant Commitments (as defined in the Credit Agreement) of each Continuing Lender and Incremental Lender shall be as set forth on Schedule 2 attached hereto (it being understood that if any Letters of Credit and Swingline Loans are outstanding under the Credit Agreement as of the Initial Effective Date, then each of the Continuing Lenders and Incremental Lenders shall have purchased and accepted from the Existing Lenders, a participation in such outstanding Letters of Credit and Swingline Loans based on its respective Applicable Percentage). The foregoing assignments, transfers and conveyances are without recourse to any Existing Lender and without any warranties whatsoever by the Administrative Agent, any L/C Issuer or any Existing Lender as to title, enforceability, collectability, documentation or freedom from liens or encumbrances, in whole or in part, other than the warranty of any such Existing Lender that it has not previously sold, transferred, conveyed or encumbered such interests. The Continuing Lenders and Incremental Lenders shall, if appropriate, make all appropriate adjustments in payments under the Credit Agreement, the Notes and the other Loan Documents for periods prior to the adjustment date among themselves. In furtherance of the foregoing, (a) the Administrative Agent hereby waives the payment of any fee pursuant to Section 10.06(b)(iv) of the Credit Agreement solely with respect to the assignments set forth in this Section 2(a), (b) the Administrative Agent, the Borrower, each L/C Issuer and the Swing Line Lender each hereby consents to the assignments set forth in this Section 2(a) and (c) each Lender (including

each Exiting Lender) hereby waives any costs required to be paid by the Borrower pursuant to Section 3.05 of the Credit Agreement solely as a result of the assignments set forth in this Section 2(a).

(b) Subject to the terms and conditions set forth herein, each Continuing Lender severally agrees that (a) the Commitment and, if outstanding, any Loans of such Continuing Lender immediately prior to the Initial Effective Date shall remain outstanding to the extent of (but not in excess of) the amount set forth under the heading "Commitment" opposite such Continuing Lender's name on Schedule 2 attached hereto, and shall continue to constitute its Commitment and Loans, respectively, under the Credit Agreement, and (b) to the extent such Commitment and, if outstanding, any Loans of such Continuing Lender immediately prior to the Initial Effective Date exceeds the amount set forth under the heading "Commitment" opposite such Continuing Lender's name on Schedule 2 attached hereto, such excess shall be deemed to have been assigned to the other Lenders listed on Schedule 2 as contemplated by Section 2(a).

(c) Subject to the terms and conditions set forth herein, each Incremental Lender agrees that, after giving effect to this Agreement, its Commitment (as defined in the Credit Agreement) shall be deemed to be the amount set forth under the heading "Commitment" opposite such Incremental Lender's name on Schedule 2 attached hereto.

(d) From and after the Initial Effective Date, (a) upon receipt by each Exiting Lender of an amount equal to all principal, interest, fees and breakage costs (if any) in respect of outstanding Loans and other Obligations owing to such Exiting Lender under the Credit Agreement and the other Loan Document, such Exiting Lender shall cease with immediate effect to be a party to and a Lender under the Credit Agreement and the other Loan Documents, (b) no Exiting Lender shall have any obligations or liabilities under the Credit Agreement with respect to the period from and after the Initial Effective Date and, without limiting the foregoing, no Exiting Lender shall have any Commitment under the Credit Agreement or any L/C Obligations outstanding under the Credit Agreement and (iii) no Exiting Lender shall have any rights under the Credit Agreement or any other Loan Document; provided that the rights under the Credit Agreement expressly stated to survive the termination of the Credit Agreement and the repayment of amounts outstanding thereunder shall survive for the benefit of each Exiting Lender. Each Exiting Lender joins in the execution of this Agreement solely for purposes of effectuating this Agreement pursuant to Section 7 hereof and assigning its interests pursuant to Section 2 hereof.

(e) Effective as of the Initial Effective Date, the Borrower and the Guarantors, for themselves and each of their Affiliates, hereby release each Exiting Lender from any and all obligations owing under or in connection with the Credit Agreement and the other Loan Documents and release each Exiting Lender and each of its Affiliates, agents, officers, directors and employees from any and all claims, causes of action, damages, costs, expenses and liabilities now existing or hereafter arising out of or with respect to or in connection with any of the Loan Documents and the transactions contemplated hereby or thereby; provided that it is understood and agreed by the parties hereto that neither the Borrower nor any Guarantor is releasing, waiving, or discharging any defenses to expense reimbursement or indemnification it may have which are expressly provided in Section 10.04 of the Credit Agreement.

SECTION 3. Amendment of the Credit Agreement. Effective as of the Initial Effective Date,

(a) Section 1.01 of the Credit Agreement is hereby amended as follows:

(i) By inserting the following defined terms:

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F. R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“First Amendment” means that certain First Amendment and Joinder Agreement, dated as of October 31, 2018, among the Borrower, the Administrative Agent and the Lenders party thereto.

“First Amendment Effective Date” means the “Initial Effective Date” as defined in the First Amendment.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Simplification Agreement” means that certain Simplification Agreement, together with any schedules or exhibits thereto, dated as of October 9, 2018, by and among AMGP GP LLC, a Delaware limited liability company, Antero Midstream GP LP, a Delaware limited partnership, Antero IDR Holdings LLC, a Delaware limited liability company, Arkrose Midstream Preferred Co LLC, a Delaware limited liability company, Arkrose Midstream Newco Inc., a Delaware corporation, Arkrose Midstream Merger Sub LLC, a Delaware limited liability company, the General Partner and the Borrower, as may be amended, amended and restated, supplemented or otherwise modified from time to time in accordance with this Agreement.

“Replacement Rate” has the meaning specified in Section 3.03(b).

(ii) by amending and restating the following definitions:

“Aggregate Commitments” means the Commitments of all the Lenders. As of the First Amendment Effective Date, the Aggregate Commitments are \$2,000,000,000.

“Agreement” means this Credit Agreement, as amended by the First Amendment, as the same may from time to time be further amended, modified, supplemented or restated.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“Eurodollar Rate” means, subject to the implementation of a Replacement Rate in accordance with Section 3.03:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to (i) the LIBOR Rate administered by the ICE Benchmark Administration or the successor thereto if the ICE Benchmark Administration is no longer making a LIBOR rate available (“LIBOR”), as published by Reuters (or

such other commercially available source providing quotations of LIBOR as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two London Banking Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period or, (ii) if such rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted and with a term equivalent to such Interest Period would be offered by Wells Fargo's London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two London Banking Days prior to the commencement of such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to (i) LIBOR, at approximately 11:00 a.m., London time determined two London Banking Days prior to such date for Dollar deposits being delivered in the London interbank market for a term of one month commencing that day or (ii) if such published rate is not available at such time for any reason, the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the date of determination in same day funds in the approximate amount of the Base Rate Loan being made or maintained and with a term equal to one month would be offered by Wells Fargo's London Branch to major banks in the London interbank Eurodollar market at their request at the date and time of determination;

provided that in no event shall the Eurodollar Rate (including, without limitation, any Replacement Rate) be less than zero and unless otherwise specified in any amendment to this Agreement entered into in accordance with Section 3.03, in the event that a Replacement Rate with respect to LIBOR is implemented then all references herein to LIBOR shall be deemed references to such Replacement Rate.

(iii) by amending the definition of "Applicable Rate" by replacing the Leverage-Based Pricing Grid therein with the following:

Leverage-Based Pricing Grid				
Pricing Level	Consolidated Total Leverage Ratio	Eurodollar Rate (Letters of Credit)	Base Rate (Swingline Loans)	Commitment Fee
1	<3.00 to 1.0	1.250%	0.250%	0.250%
2	≥ 3.00 to 1.0 but < 3.50 to 1.0	1.375%	0.375%	0.300%
3	≥ 3.50 to 1.0 but < 4.00 to 1.0	1.500%	0.500%	0.300%
4	≥ 4.00 to 1.0 but < 4.50 to 1.0	1.750%	0.750%	0.375%
5	≥ 4.50 to 1.0	2.250%	1.250%	0.375%

(b) Article I of the Credit Agreement is hereby amended by inserting new Sections 1.08 and 1.09 as follows:

1.08 Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to, administration, submission or any other matter related to the rates in the definition of “Eurodollar Rate”.

1.09 Division. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

(c) Section 2.13(a) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(a) Request for Increase. Provided that immediately prior to and after giving effect thereto there exists no Event of Default, upon notice to the Administrative Agent (which shall promptly notify the Lenders), the Borrower may from time to time after the First Amendment Effective Date request an increase in the aggregate amount of the Lenders’ Commitments by an amount (for all such requests) not exceeding \$500,000,000; provided that any such request for an increase shall be in a minimum amount of \$100,000,000 or, if less, the amount remaining available for all such increases. At the time of sending such notice, the Borrower (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten Business Days from the date of delivery of such notice to the Lenders).

(d) Section 3.03 of the Credit Agreement is hereby amended and restated in its entirety as follows:

3.03 Inability to Determine Rates.

(a) Unless and until a Replacement Rate is implemented in accordance with clause (c) below, in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof or otherwise, if for any reason (i) the Administrative Agent shall determine (which determination shall be conclusive and binding absent manifest error) that Dollar deposits are not being offered to banks in the London interbank Eurodollar market for the applicable amount and Interest Period of such Loan, (ii) the Administrative Agent shall determine (which determination shall be conclusive and binding absent manifest error) that reasonable and adequate means do not exist for the ascertaining the Eurodollar Rate for such Interest Period with respect to a proposed Eurodollar Rate Loan or (iii) the Administrative Agent is advised by the Required Lenders that the Eurodollar Rate does not adequately and fairly reflect the cost to such Lenders of making or maintaining such Loans during such Interest Period, then the Administrative Agent shall promptly give notice thereof to the Borrower. Thereafter, until the Administrative Agent notifies the Borrower that such circumstances no longer exist, (A) the obligation of the Lenders to make Eurodollar Rate Loans and the right of the Borrower to convert any Loan to or continue any Loan as a Eurodollar Rate Loan shall be suspended and (B) if any Loan Notice requests a Eurodollar Rate Loan, such Borrowing shall be made as a Base Rate Loan.

(b) Alternative Rate of Interest. Notwithstanding anything to the contrary in Section 3.03(a) above, if the Administrative Agent has made the determination (such determination

to be conclusive absent manifest error) that (i) the circumstances described in Section 3.03(a)(i) or (a)(ii) have arisen and that such circumstances are unlikely to be temporary, (ii) any applicable interest rate specified herein is no longer a widely recognized benchmark rate for newly originated loans in the U.S. syndicated loan market in the applicable currency or (iii) the applicable supervisor or administrator (if any) of any applicable interest rate specified herein or any Governmental Authority having, or purporting to have, jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which any applicable interest rate specified herein shall no longer be used for determining interest rates for loans in the U.S. syndicated loan market in the applicable currency, then the Administrative Agent may, to the extent practicable (in consultation with the Borrower and as determined by the Administrative Agent to be generally in accordance with similar situations in other transactions in which it is serving as administrative agent or otherwise consistent with market practice generally), establish a replacement interest rate (the “Replacement Rate”), in which case, the Replacement Rate shall, subject to the next two sentences, replace such applicable interest rate for all purposes under the Loan Documents unless and until an event described in Section 3.03(a)(i), (a)(ii), (c)(i), (c)(ii) or (c)(iii) occurs with respect to the Replacement Rate. In connection with the establishment and application of the Replacement Rate, this Agreement and the other Loan Documents shall be amended solely with the consent of the Administrative Agent and the Borrower, as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 3.03(b). Notwithstanding anything to the contrary in this Agreement or the other Loan Documents (including, without limitation, Section 10.01), such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five (5) Business Days of the delivery of such amendment to the Lenders, written notices from such Lenders that in the aggregate constitute Required Lenders, with each such notice stating that such Lender objects to such amendment. To the extent the Replacement Rate becomes effective pursuant to this clause (c), the Replacement Rate shall be applied in a manner consistent with market practice; provided that, in each case, to the extent such market practice is not administratively feasible for the Administrative Agent, such Replacement Rate shall be applied as otherwise reasonably determined by the Administrative Agent (it being understood that any such modification by the Administrative Agent shall not require the consent of, or consultation with, any of the Lenders).

(e) Section 5.16 of the Credit Agreement is hereby amended by inserting the following sentence at the end thereof:

The information included in the Beneficial Ownership Certification, if any is required to be delivered pursuant to the terms of this Agreement, is true and correct in all respects.

(f) Section 6.03 of the Credit Agreement is hereby amended by replacing the “.” at the end of clause (i), inserting new clauses (j) and (k) and amending and restating the paragraph at the end thereof in its entirety as follows:

(j) of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein and promptly upon the reasonable request of the Administrative Agent or any Lender, provide the Administrative Agent or such Lender, as the case may be, any information or documentation reasonably requested by it for purposes of complying with the Beneficial Ownership Regulation; and

(k) of any change, amendment, supplement, waiver or other modification to the terms of the Simplification Agreement or to the transactions contemplated thereby, in each case

to the extent that the same is material (and in any event, within five Business Days after the occurrence thereof).

Each notice pursuant to Section 6.03 (other than Section 6.03(g), (h), (j) or (k)) shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity the provisions of this Agreement and any other Loan Document that have been breached.

(g) Section 7.22 of the Credit Agreement is hereby amended by inserting a new sentence at the end thereof as follows:

The Simplification Agreement shall not be amended or modified if such amendment or modification could reasonably be expected to materially adversely affect the interests of the Secured Parties.

(h) Article IX of the Credit Agreement is hereby amended by inserting a new Section 9.13 as follows:

9.13 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s

entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

(i) Section 10.01 of the Credit Agreement is hereby amended by amending and restating the proviso thereto in its entirety as follows:

and provided, further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto; (iv) notwithstanding anything to the contrary in this Agreement, the Administrative Agent and the Borrower may, without the consent of any Lender, enter into amendments or modifications to this Agreement or any of the other Loan Documents or to enter into additional Loan Documents as the Administrative Agent reasonably deems appropriate in order to implement any Replacement Rate or otherwise effectuate the terms of Section 3.03(b) in accordance with the terms of Section 3.03(b); and (v) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Lender in addition to the Lenders required above, affect the rights or duties of the Swingline Lender under this Agreement. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended, any amount owing to such Lender reduced, the final maturity thereof extended, or the voting provisions hereof with respect to such Lender amended without the consent of such Lender.

(j) Section 10.18 of the Credit Agreement is hereby amended by amending and restating the sentence at the end thereof in its entirety as follows:

The Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act and the Beneficial Ownership Certification.

(k) Schedule 2.01 to the Credit Agreement is hereby replaced in its entirety with Schedule 2 to this Agreement.

SECTION 4. Consent to Simplification Transaction. Notwithstanding anything to the contrary in any Loan Document, as of the Initial Effective Date, the Administrative Agent and the Lenders party hereto hereby acknowledge and consent to the Simplification Agreement and the transactions described therein and acknowledge and agree that the consummation of the transactions described therein shall not result in or constitute a breach, Default or Event of Default under any Loan Document and the terms thereof.

SECTION 5. Simplification Amendments. Effective as of the Simplification Amendment Effective Date,

(a) Section 1.01 of the Credit Agreement is hereby amended as follows:

- (i) by deleting the following defined terms in their entirety: “AMP GP” and “Parent”.
- (ii) by inserting the following defined terms:

“Holding Company Condition” shall mean that the General Partner directly or indirectly owns substantially all of the Equity Interests of the Borrower, there are no more than nominal differences between the financial statements of the General Partner and the Borrower and the non-financial disclosures of General Partner and the Borrower are substantially similar.

“Permitted Holders” means each of (i) Antero Corp or any of its Affiliates, including Arkrose Subsidiary Holdings LLC, a Delaware limited liability company (as used in this definition “AR Sub”), for so long as AR Sub is an Affiliate of Antero Corp, (ii) each member of the Warburg Group, (iii) each member of the Yorktown Group, (iv) each member of the Rady Group, (v) each member of the Warren Group, and (vi) any “group” (within the meaning of Section 13 of the Exchange Act and the rules and regulations thereunder) that includes one or more of the Persons described in the preceding clauses (i) through (v), but only if such Persons described in the preceding clauses (i) through (v) control more than 50% of the total voting power of such group.

“Rady Group” means (i) Mr. Paul M. Rady, (ii) Mr. Rady’s estate, (iii) Mr. Rady’s spouse, lineal descendants (whether by blood or adoption) and heirs (whether by will or intestacy), (iv) any trust, family partnership or family limited liability company, the sole beneficiaries, partners or members of which are Mr. Rady, Mr. Rady’s spouse or Mr. Rady’s lineal descendants (whether by blood or adoption) and heirs (whether by will or intestacy) and (v) any Affiliate of any of the Persons set forth in (i), (ii), (iii) or (iv) for so long as such Affiliate is controlled by any of the Persons set forth in (i), (ii), (iii) or (iv). For purposes of this paragraph, Mr. Rady’s estate shall be deemed a party to this Agreement, subject to all rights and obligations hereof, pending the settlement of such estate.

“Simplification Amendment Effective Date” means the “Simplification Amendment Effective Date” as defined in the First Amendment.

“Warburg Funds” means, collectively, Warburg Pincus Private Equity X O&G, L.P., a Delaware limited partnership, Warburg Pincus X Partners, L.P., a

Delaware limited partnership, Warburg Pincus Private Equity VIII, LP, a Delaware limited partnership, Warburg Pincus Netherlands Private Equity VIII C.V. I, a company formed under the laws of the Netherlands, and WP-WPVIII Investors, L.P., a Delaware limited partnership.

“Warburg Group” means the Warburg Funds and their respective Affiliates that are parties hereto, in each case for so long as such Person is Affiliated with Warburg Pincus LLC.

“Warren Group” means (i) Mr. Glen C. Warren, Jr., (ii) Mr. Warren’s estate, (iii) Mr. Warren’s spouse, lineal descendants (whether by blood or adoption) and heirs (whether by will or intestacy), (iv) any trust, family partnership or family limited liability company, the sole beneficiaries, partners or members of which are Mr. Warren, Mr. Warren’s spouse or Mr. Warren’s lineal descendants (whether by blood or adoption) and heirs (whether by will or intestacy) and (v) any Affiliate of any of the Persons set forth in (i), (ii), (iii) or (iv) for so long as such Affiliate is controlled by any of the Persons set forth in (i), (ii), (iii) or (iv). For purposes of this paragraph, Mr. Warren’s estate shall be deemed a party to this Agreement, subject to all rights and obligations hereof, pending the settlement of such estate.

“Yorktown Funds” means, collectively, Yorktown Energy Partners V, L.P., a Delaware limited partnership, Yorktown Energy Partners VI, L.P., a Delaware limited partnership, Yorktown Energy Partners VII, L.P., a Delaware limited partnership, and Yorktown Energy Partners VIII, L.P., a Delaware limited partnership.

“Yorktown Group” means the Yorktown Funds and their respective Affiliates that are parties hereto, in each case for so long as such Person is Affiliated with Yorktown Partners LLC.

(iii) by amending and restating the following definitions:

“Change of Control” means an event or series of events by which:

(a) the Borrower shall fail to directly own and control beneficially and of record (free and clear of all Liens other than Liens of the type permitted to be on Equity Interests under Section 7.01; provided that, this exception shall not apply to any foreclosure with respect to such Liens) 100% of the Equity Interests of Midstream Operating; or

(b) (i) if the Borrower is a limited partnership, the General Partner shall fail to directly own and control beneficially and of record (free and clear of all Liens other than non-consensual Liens of the type permitted to be on Equity Interests under Section 7.01; provided that, this exception shall not apply to any foreclosure with respect to such Liens) 100% of the general partner interests of the Borrower, or (ii) if the Borrower is not a limited partnership, the General Partner shall fail to directly or indirectly own and control beneficially and of record (free and clear of all Liens other than non-consensual Liens of the type permitted to be on Equity Interests under Section 7.01; provided that, this exception shall not apply to any foreclosure with respect to such Liens) 100% of the ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower; or

(c) the General Partner shall fail to directly or indirectly own and control (free and clear of all Liens other than non-consensual Liens of the type permitted to be on Equity Interests under Section 7.01; provided that, this exception shall not apply to any foreclosure with respect to such Liens) 100% of the economic Equity Interests of the Borrower; or

(d) any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof) other than the Permitted Holders, acquires, directly or indirectly, beneficially or of record, Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the General Partner; or

(e) during any period of 12 consecutive months, a majority of the members of the board of managers or other equivalent governing body of the General Partner cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body, (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body, or (iv) whose election or nomination to that board or other equivalent governing body was approved by the same Persons that had the power to designate, appoint or elect the individuals referred to in clauses (i) and (ii) above at the time such individuals were designated, appointed or elected.

“General Partner” means Antero Midstream Corporation, a Delaware corporation.

(b) Section 6.01 of the Credit Agreement is hereby amended by inserting a new proviso at the end thereof as follows:

; provided that, if the Holding Company Condition is satisfied as of the date of the relevant financial statements (or in the case of annual business plan and budget on the first day of the applicable fiscal year), the obligations in clauses (a), (b) and (c) of this Section 6.01 may be satisfied with respect to financial information of the Borrower and its Subsidiaries by furnishing the applicable financial statements (or annual business plan and budget) of the General Partner; provided that to the extent such information relates to the General Partner, the Borrower shall promptly provide to the Administrative Agent, upon request from the Administrative Agent, consolidating or other information that explains in reasonable detail the differences between the information relating to the General Partner, on the one hand, and the information relating to the Borrower and its Subsidiaries on a standalone basis, on the other hand.

(c) Section 7.06 of the Credit Agreement is hereby amended by inserting a new clause (e) as follows:

(e) so long as no Event of Default exists, the Borrower may make distributions on or about the Simplification Amendment Effective Date pursuant to and in accordance with the Simplification Agreement.

SECTION 6. Confirmation of Loan Documents. The Borrower hereby confirms and ratifies all of its obligations under the Loan Documents to which it is a party, including its obligations and the Liens granted by it under the Collateral Documents to which it is a party and confirms that all references in such Collateral Documents to the “Credit Agreement” (or words of similar import) refer to the Credit Agreement as amended and supplemented hereby without impairing any such obligations or Liens in any respect.

SECTION 7. Conditions to Effectiveness. The effectiveness of this Agreement (other than Section 5) and the obligations of the Incremental Lenders to make Loans under the Incremental Revolving Facility Commitments hereunder are subject to the satisfaction or waiver of each of the following conditions (the date on which such conditions are satisfied or waived, the “Initial Effective Date”):

(a) The Administrative Agent shall have received (i) a counterpart of this Agreement, executed and delivered by the Borrower, the Lenders and each Incremental Lender party hereto and (ii) a reaffirmation agreement in form and substance satisfactory to the Administrative Agent, executed and delivered by each of the Loan Parties with respect to its obligations and the Liens granted by it under the Collateral Documents.

(b) The Administrative Agent shall have received, on behalf of itself, the Lenders and each L/C Issuer on the Initial Effective Date, the favorable written opinion of Vinson & Elkins LLP, counsel to the Loan Parties, in form and substance satisfactory to the Administrative Agent, dated as of the Initial Effective Date.

(c) The Administrative Agent shall have received a certificate, executed on behalf of the Borrower by a Responsible Officer of the Borrower, which certificate shall certify as to the Solvency of the Borrower and its Subsidiaries, on a consolidated basis, after giving effect to the incurrence of the Incremental Revolving Facility Commitments.

(d) The Administrative Agent shall have received from the Borrower, a certificate, dated as of the Initial Effective Date, fulfilling the requirements of Section 2.13(e) of the Credit Agreement, with appropriate insertions and attachments.

(e) The Borrower shall have paid all fees, including for the avoidance of doubt any upfront fees payable for the account of the Lenders, due and payable under that certain Engagement Letter, dated as of October 26, 2018, by and between the Borrower and Wells Fargo Securities, LLC.

(f) The Borrower shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to or on the Initial Effective Date.

(g) Upon the reasonable request of any Lender made at least ten (10) Business Days prior to the Initial Effective Date, the Administrative Agent shall have received, at least five (5) Business Days prior to the Initial Effective Date, and be reasonably satisfied in form and substance with, all documentation and other information required by bank regulatory authorities under applicable “know-your-customer” and anti-money laundering rules and regulations, including but not restricted to the USA Patriot Act and the requirements of the Beneficial Ownership Regulation (as defined in the Credit Agreement as amended by this Amendment).

(h) The Administrative Agent shall have received and reviewed lien searches reasonably requested by the Administrative Agent.

(i) The Administrative Agent shall have received with respect to the Borrower and each other Loan Party (i) certificates of good standing as of a recent date issued by the appropriate Governmental Authority of the state or jurisdiction of its incorporation or organization, where applicable; and (ii) a certificate of a Responsible Officer of each Loan Party dated the Initial Effective Date and certifying (A) that there have been no changes to the Organization Documents of such Loan Party from those most recently delivered to the Administrative Agent in connection with the Credit Agreement and that such documents remain in full force and effect, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the board of directors or other governing body of such Loan Party (and, if applicable, any parent company of such Loan Party) authorizing the execution, delivery and performance of this Agreement and any related Loan Documents and the borrowings hereunder and thereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, and (C) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party.

(j) The Administrative Agent shall have received flood certification(s) from a firm reasonably acceptable to the Administrative Agent covering any buildings (defined as structures with two or more rigid outside walls and a fully secured roof that is affixed to a permanent site) constituting Collateral showing whether or not such buildings are located in a special flood hazard area subject by federal regulation to mandatory flood insurance requirements.

(k) The Administrative Agent shall have received a Note executed by the Borrower in favor of each Lender requesting a Note.

(l) The Borrower shall have delivered all notices required by and in compliance with Section 2.13 of the Credit Agreement.

SECTION 8. Post-Closing Obligations. Within 60 days of the Initial Effective Date (or such longer period as permitted by the Administrative Agent in its sole discretion):

(a) the Administrative Agent shall have received mortgage modifications with respect to any Mortgaged Property in each case in proper form for recording in the relevant jurisdiction and in a form reasonably satisfactory to the Administrative Agent,

(b) the Administrative Agent shall have received a favorable opinion of counsel to the Loan Parties in each state where Mortgaged Property is located, addressed to the Administrative Agent and each Lender, covering such matters as may be reasonably requested by the Administrative Agent in connection with the satisfaction of the requirements set forth in clause (a) above;

(c) the Administrative Agent shall have received all other items reasonably requested by the Administrative Agent that are reasonably necessary to maintain the continuing perfection or priority of the Lien of the Mortgages as security for the Obligations and such other information, instruments and documents as the Administrative Agent (or its counsel) may reasonably request in connection therewith; and

(d) the Borrower shall have paid or made arrangements to pay all applicable recording taxes, fees, charges, costs and expenses required for the recording of any Collateral Documents or amendments or modifications thereto to be recorded in accordance with this Section 8.

SECTION 9. Conditions Precedent to Effectiveness of the Simplification Amendments. The effectiveness of Section 5 of this Agreement are subject to the satisfaction or waiver of each of the following

conditions (the date on which such conditions are satisfied or waived, the “Simplification Amendment Effective Date”):

(a) The Administrative Agent shall have received a counterpart of this Agreement, executed and delivered by the Borrower and the Required Lenders.

(b) The transactions contemplated by the Simplification Agreement shall have been consummated, in all material respects in accordance with the Simplification Agreement without any amendment, waiver or modification thereof that is materially adverse to the interests of the Lenders taken as a whole.

(c) Each of the representations and warranties contained in Article V of the Credit Agreement and in each of the other Loan Documents shall be true and correct in all material respects (except with respect to representations and warranties which are expressly qualified by materiality, which shall be true and correct in all respects) on and as of the Simplification Amendment Effective Date as if made on and as of such date except to the extent that such representations and warranties expressly specifically refer to an earlier date (in which case such representations and warranties are true and correct in all material respects as of such earlier date) (except with respect to representations and warranties which are expressly qualified by materiality, which shall be true and correct in all respects).

(d) No Default or Event of Default exists, both before and after giving effect to the consummation of the transactions contemplated by the Simplification Agreement.

(e) The Administrative Agent shall have received from the Borrower, a certificate, dated as of the Simplification Amendment Effective Date, certifying that the conditions specified in clauses (b), (c) and (d) above have been satisfied.

(f) The Borrower shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced prior to or on the Simplification Amendment Effective Date.

Notwithstanding the foregoing, the Simplification Amendment Effective Date shall not occur unless each of the foregoing conditions is satisfied (or waived pursuant to Section 10.1 of the Existing Credit Agreement) at or prior to 3:00 p.m., New York City time, on September 30, 2019.

SECTION 10. Representations and Warranties of the Borrower. The Borrower hereby represents and warrants, as of the Initial Effective Date, as follows:

(a) Each of the representations and warranties contained in Article V of the Credit Agreement and in each of the other Loan Documents is true and correct in all material respects (except with respect to representations and warranties which are expressly qualified by materiality, which shall be true and correct in all respects) on and as of the Initial Effective Date as if made on and as of such date except to the extent that such representations and warranties expressly specifically refer to an earlier date (in which case such representations and warranties are true and correct in all material respects as of such earlier date).

(b) No Default or Event of Default exists, both before and after giving effect to the incurrence of the Incremental Revolving Facility Commitments.

SECTION 11. Effects on Loan Documents.

- (a) Except as specifically amended herein, all Loan Documents shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.
- (b) The execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of the Loan Documents.
- (c) The Borrower and the other parties hereto acknowledge and agree that this Agreement shall constitute a Loan Document.

SECTION 12. Amendments; Execution in Counterparts.

- (a) This Agreement shall not constitute an amendment of any other provision of the Credit Agreement not referred to herein and shall not be construed as a waiver or consent to any further or future action on the part of the Borrower that would require a waiver or consent of the Lenders or the Administrative Agent. Except as expressly amended hereby, the provisions of the Credit Agreement are and shall remain in full force and effect.
- (b) This Agreement may not be amended nor may any provision hereof be waived except pursuant to a writing signed by the Borrower, the Administrative Agent, the Incremental Lenders and the other Lenders party hereto. This Agreement may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or other electronic submission shall be effective as delivery of a manually executed counterpart hereof.

SECTION 13. GOVERNING LAW; WAIVER OF JURY TRIAL. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION AND IN SECTION 10.14 OF THE CREDIT AGREEMENT.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first set forth above.

ANTERO MIDSTREAM PARTNERS LP

By: Antero Midstream Partners GP LLC,
its general partner

By: /s/ Alwyn A. Schopp
Name: Alwyn A. Schopp
Title: Chief Administrative Officer, Regional Vice President and
Treasurer

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

WELLS FARGO BANK, NATIONAL ASSOCIATION
as Administrative Agent, Lender, Swingline Lender and L/C Issuer

By: /s/ Jonathan Herrick
Name: Jonathan Herrick
Title: Director

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

JPMorgan Chase Bank, N.A.

as a Lender, an Incremental Lender, and a L/C Issuer

By: /s/ David Morris

Name: David Morris

Title: Authorized Officer

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

ABN AMRO CAPITAL USA LLC,
as a Lender and as an Incremental Lender

By: /s/ Darrell Holley
Name: Darrell Holley
Title: Managing Director

By: /s/ David Montgomery
Name: David Montgomery
Title: Managing Director

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

BARCLAYS BANK PLC
as a Lender and as an Incremental Lender

By: /s/ Sydney G. Dennis
Name: Sydney G. Dennis
Title: Director

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

CAPITAL ONE, NATIONAL ASSOCIATION
as a Lender and as an Incremental Lender

By: /s/ Scott Mackey
Name: Scott Mackey
Title: Director

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

Citibank, N.A.,
as a Lender and as an Incremental Lender

By: /s/ Phil Ballard
Name: Phil Ballard
Title: Vice President

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK
as a Lender and as an Incremental Lender

By: /s/ Joseph Cariello

Name: Joseph Cariello

Title: Director

By: /s/ Michael Willis

Name: Michael Willis

Title: Managing Director

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

The Bank of Nova Scotia, Houston Branch
as a Lender and as an Incremental Lender

By: /s/ Marc Graham

Name: Marc Graham

Title: Managing Director

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

BMO HARRIS BANK N.A.
as a Lender and an Incremental Lender

By: /s/ Melissa Guzmann
Name: Melissa Guzmann
Title: Director

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH
as a Lender and as an Incremental Lender

By: /s/ Nupur Kumar

Name: Nupur Kumar

Title: Authorized Signatory

By: /s/ Christopher Zybrick

Name: Christopher Zybrick

Title: Authorized Signatory

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

SUMITOMO MITSUI BANKING CORPORATION
as a Lender and as an Incremental Lender

By: /s/ James D. Weinstein
Name: James D. Weinstein
Title: Managing Director

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

The Toronto-Dominion Bank, New York Branch
as a Lender and as an Incremental Lender

By: /s/ Annie Dorval

Name: Annie Dorval

Title: Authorized Signatory

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

U.S. BANK NATIONAL ASSOCIATION,
as a Lender and as an Incremental Lender

By: /s/ Todd S. Anderson

Name: Todd S. Anderson

Title: Vice President

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

BANK OF AMERICA, N.A.
as a Lender and as an Incremental Lender

By: /s/ Pace Doherty
Name: Pace Doherty
Title: Vice President

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

BRANCH BANKING AND TRUST COMPANY,
a Lender and Incremental Lender

By: /s/ Greg Krablin
Name: Greg Krablin
Title: Vice President

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

CANADIAN IMPERIAL BANK OF COMMERCE, NEW YORK BRANCH
as a Lender and as an Incremental Lender

By: /s/ Trudy Nelson
Name: Trudy Nelson
Title: Authorized Signatory

By: /s/ Megan Larson
Name: Megan Larson
Title: Authorized Signatory

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

PNC Bank, National Association
As a Lender and as an Incremental Lender

By: /s/ John Engel
Name: John Engel
Title: Vice President

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

ING Capital LLC, as Lender and as an Incremental Lender

By: /s/ Juli Bieser

Name: Juli Bieser

Title: Managing Director

By: /s/ Michael Price

Name: Michael Price

Title: Managing Director

[Signature Page to First Amendment and Joinder Agreement (Antero)]

Consented to by:

Compass Bank, as a Lender

By: /s/ Mark H. Wolf

Name: Mark H. Wolf

Title: Senior Vice President

[Signature Page to First Amendment and Joinder Agreement (Antero)]

DNB CAPITAL LLC,
as an Exiting Lender

By: /s/ Byron Cooley
Name: Byron Cooley
Title: Senior Vice President

By: /s/ Robert Dupree
Name: Robert Dupree
Title: Senior Vice President

[Signature Page to First Amendment and Joinder Agreement (Antero)]

**SCHEDULE 1
TO FIRST AMENDMENT AND
JOINDER AGREEMENT**

INCREMENTAL REVOLVING FACILITY COMMITMENTS

Name of Incremental Lender	Incremental Revolving Facility Commitments
Wells Fargo Bank, National Association	\$ 36,486,486.51
JPMorgan Chase Bank, N.A.	\$ 36,486,486.51
ABN AMRO Capital USA LLC	\$ 32,882,882.88
Barclays Bank PLC	\$ 32,882,882.88
Capital One, National Association	\$ 32,882,882.88
Citibank, N.A.	\$ 32,882,882.88
Credit Agricole Corporate and Investment Bank	\$ 32,882,882.88
The Bank of Nova Scotia	\$ 32,882,882.88
BMO Harris Bank N.A.	\$ 23,423,423.42
Credit Suisse AG, Cayman Islands Branch	\$ 23,423,423.42
Sumitomo Mitsui Banking Corporation	\$ 23,423,423.42
The Toronto-Dominion Bank, New York Branch	\$ 23,423,423.42
U.S. Bank National Association	\$ 23,423,423.42
Bank of America, N.A.	\$ 22,522,522.52
Branch Banking and Trust Company	\$ 22,522,522.52
Canadian Imperial Bank of Commerce, New York Branch	\$ 22,522,522.52
PNC Bank, National Association	\$ 22,522,522.52
ING Capital, LLC	\$ 22,522,522.52
Total:	\$ 500,000,000.00

**SCHEDULE 2
TO FIRST AMENDMENT AND
JOINDER AGREEMENT**

Name of Lender	Commitments	Applicable Percentage
Wells Fargo Bank, National Association	\$ 145,500,000	7.275 %
JPMorgan Chase Bank, N.A.	\$ 145,500,000	7.275 %
ABN AMRO Capital USA LLC	\$ 131,500,000	6.575 %
Barclays Bank PLC	\$ 131,500,000	6.575 %
Capital One, National Association	\$ 131,500,000	6.575 %
Citibank, N.A.	\$ 131,500,000	6.575 %
Credit Agricole Corporate and Investment Bank	\$ 131,500,000	6.575 %
The Bank of Nova Scotia	\$ 131,500,000	6.575 %
BMO Harris Bank N.A.	\$ 91,000,000	4.55 %
Credit Suisse AG, Cayman Islands Branch	\$ 91,000,000	4.55 %
Sumitomo Mitsui Banking Corporation	\$ 91,000,000	4.55 %
The Toronto-Dominion Bank, New York Branch	\$ 91,000,000	4.55 %
U.S. Bank National Association	\$ 91,000,000	4.55 %
Bank of America, N.A.	\$ 80,000,000	4.00 %
Branch Banking and Trust Company	\$ 80,000,000	4.00 %
Canadian Imperial Bank of Commerce, New York Branch	\$ 80,000,000	4.00 %
PNC Bank, National Association	\$ 80,000,000	4.00 %
ING Capital, LLC	\$ 80,000,000	4.00 %
Compass Bank	\$ 65,000,000	3.25 %
Total:	<u>\$ 2,000,000,000</u>	<u>100.0 %</u>

EXITING LENDERS

1. DNB Capital LLC
-

Antero Midstream GP LP NYSE:AMGP FQ3 2018 Earnings Call Transcripts

Thursday, November 01, 2018 4:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ3 2018-			-FQ4 2018-	-FY 2018-	-FY 2019-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	0.13	0.09	▼ (30.77 %)	0.15	0.47	0.83
Revenue (mm)	37.72	37.82	▲ 0.27	42.77	141.88	233.12

Currency: USD

Consensus as of Oct-11-2018 12:26 PM GMT



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Call Participants

EXECUTIVES

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*President, Secretary & Director of
Antero Midstream Partners GP LLC*

Michael N. Kennedy

*Senior VP of Finance & CFO -
Antero Midstream Partners GP LLC*

Paul M. Rady

*Chairman & CEO of Antero
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*Wells Fargo Securities, LLC,
Research Division*

Timothy D. Howard

*Stifel, Nicolaus & Company,
Incorporated, Research Division*

Presentation

Operator

Good day, everyone, and welcome to the Antero Midstream Third Quarter 2018 Earnings Conference Call. [Operator Instructions] And please note that this event is being recorded.

I would now like to turn the conference over to Michael Kennedy, Chief Financial Officer of Antero Midstream. Please go ahead.

Michael N. Kennedy

Senior VP of Finance & CFO - Antero Midstream Partners GP LLC

Thank you for joining us for Antero Midstream's third quarter 2018 investor conference call. We'll spend a few minutes going through the financial and operating highlights, and then we'll open it up for Q&A. I would also like to direct you to the home page of our website at www.anteromidstream.com or www.anteromidstreamgp.com, where we have provided a separate earnings call presentation that will be reviewed during today's call.

Before we start our comments, I would first like to remind you that during this call, Antero management will make forward-looking statements. Such statements are based on our current judgments regarding factors that will impact the future performance of Antero Resources, Antero Midstream and AMGP and are subject to a number of risks and uncertainties, many of which are beyond Antero's control. Actual outcomes and results could materially differ from what is expressed, implied or forecast in such statements.

Today's call may also contain certain non-GAAP financial measures. Please refer to our earnings press release for important disclosures regarding such measures, including reconciliations for the most comparable GAAP financial measures.

Joining me on the call today are Paul Rady, Chairman and CEO of Antero Resources and Antero Midstream; and Glen Warren, President and CFO of Antero Resources and President of Antero Midstream.

I will now turn the call over to Paul.

Paul M. Rady

Chairman & CEO of Antero Midstream Partners GP LLC

Thanks, Mike, and thank you to everyone for listening in to the call today. I'll begin my comments with highlights from our recently announced simplification transaction and AR's peer-leading margins. Mike will then walk through our third quarter 2018 results and long-term outlook.

I'll begin my formal comments on Slide #3, titled Simplification Transaction Highlights, going through the numerous merits of the transaction. As you are aware, on October 9, AMGP announced a definitive agreement to acquire AM in a stock and cash transaction. The transaction was truly a win-win-win across the Antero family. First, the transaction simplifies the midstream structure into one publicly-traded entity and aligns all equity holders. New AM will be structured as a C-corp without IDRs, which we believe is the increasingly preferred structure by our midstream investors. We expect the structure to broaden our investor base and importantly, position Antero Midstream to be included in major equity indices in the future.

In addition to the intangible benefits of structure and governance, the transaction is immediately accretive to both AM and AMGP on a DCF per unit basis and averages double-digit accretion through 2022 for both entities.

AMGP shareholders will receive 42% immediate distribution accretion compared to the status quo 2019 AMGP target, and AM public unitholders will receive a premium and will be more than made-whole on their previously communicated distributions and growth profiles.

Third, the transaction eliminates the IDRs, reducing the pro forma cost of equity capital. Eliminating the IDRs today helps to ensure that we do not miss out any -- out on any future growth opportunities, both organic and third-party. It allows us to compete for larger scale projects with other entities that have already eliminated their IDRs. Structured as a corporation for both tax and governance purposes, the transaction significantly enhances governance and shareholder rights as compared to the MLP structure.

New AM will have an elected board with a majority of independent directors pushing it to the forefront of best corporate governance practices in the midstream space. The transaction is also tax-efficient with respect to corporate taxes and eliminates approximately \$375 million of taxes that AMGP was expected to pay from 2019 through 2022. These tax savings generated by the step-up in basis allow the transaction to be accretive to both AM and AMGP.

Lastly, the combination of cash consideration from the announced transaction, along with AR free cash flow, is expected to fully fund AR's buyback and delevering program.

Now let's move to Slide #4, titled Antero's Proven Integrated Strategy. While Antero Midstream's corporate structure is expected to change, our proven strategy -- our integrated proven strategy will not. We firmly believe in the benefits of integration and unparalleled visibility into the long-term development plan. In our view, ownership and control of the midstream buildout is critical for a sustainable resource development. Our integration and visibility into AR's development plan allows us to deploy just-in-time capital and appropriately size infrastructure to support AR's production growth. As an example, during the third quarter, AM tied in in-line, a company record 73 wells into the gathering and compression system, a 100% of which were on time. The precise timing of midstream projects optimizes capital efficiency, both for AR and AM. The 73 new wells drove record volumes in the third quarter and are expected to generate significant growth and momentum heading into the fourth quarter of 2018 and into 2019.

On the fresh water delivery side, we continued our 100% timely track record of delivering fresh water for completions even as AR set records for completion stages per day. For that, I want to thank all of our employees for the tremendous achievements operationally.

Moving to the right-hand side of the page, AR and management and sponsors remain highly aligned with our midstream investors and will own 31% and 25% of new AM, respectively.

Now let's move to Slide #5, titled Consistent Leader in Realizations and Margins, which illustrates AR's peer-leading realizations and margins. Antero Resources is not a traditional Northeast natural gas producer. In fact, during the third quarter, 43% of AR's revenues were derived from liquids, including ethane, C3+, NGLs and oil. Antero's liquids exposure is a key differentiator and is the reason AR can generate attractive and sustainable single well and corporate-level rates of return.

As depicted on the left-hand portion of the slide, AR generated all-in realized pricing of almost \$4 per Mcf equivalent during the quarter, which is 41% above the peer average and over \$1 above NYMEX natural gas prices. While generating the highest pricing realizations is important, it is more important to generate attractive all-in margins, which ultimately drives the economics supporting the long-term development program.

Once again, AR generated best-in-class EBITDAX margins of \$1.68 per Mcfe on a fully burdened stand-alone E&P basis, including full AM fees.

The third quarter exemplified Antero's trend of consistently generating the highest realized pricing and margins in Appalachia and gives us confidence in the long-term sustainable production growth that underpins AM.

Looking ahead, the fourth quarter represents an important inflection point for AR in which it expects to generate free cash flow, driven by expanding margins benefiting from strong NGL pricing. These attractive margins support AR's measured drilling and completion capital budgets through 2022, that are expected to be more than fully funded from cash flow assuming today's strip pricing.

I'll finish my comments on Slide #6, with a macro view of NGL infrastructure in the Northeast, as the infrastructure is an important springboard for the development of AR's liquid-rich locations.

Appalachia NGL fractionation and transportation is differentiated from other shale plays in the U.S. All [wide-grade] barrels are fractionated in basin and transported in purity product form, which is a more marketable product for downstream consumption. This allows barrels from the Northeast to be insulated from highly-constrained fractionation, transportation and storage capacity, that's currently down on the Gulf Coast. In fact, there is sufficient fractionation capacity in the Northeast and more specifically, AR has sufficient running room to continue delivering peer-leading liquids production growth. In the short-term, the joint venture between AM and MPLX expects to bring online Sherwood Processing plants 10 and 11 and, in fact, plant 10 just came on last evening adding an additional 400 million cubic feet of processing capacity in this fourth quarter of 2018.

The joint venture also expects to place the Hopedale 4 fractionation plant into service during the fourth quarter of 2018, adding an additional 60,000 barrels per day of gross fractionation capacity to the basin. Longer-term, AM and MPLX will continue planning and executing on additional processing and fractionation capacity customized to AR's growth. This visibility in customized midstream solution is an underappreciated benefit for AR as it is the only E&P in the Northeast with direct ownership and control of the midstream infrastructure buildout all the way from the wellhead through processing and fractionation.

In summary, we believe that we have the right assets, strategy, employees and now corporate structure to continue generating value for our shareholders.

With that, I'll turn the call back over to Mike.

Michael N. Kennedy

Senior VP of Finance & CFO - Antero Midstream Partners GP LLC

Thank you, Paul. I'll first touch on the distribution for AM and AMGP for the third quarter, beginning on Slide #7, titled Track Record of Delivering Growth.

We recently announced an AM distribution of \$0.44 per unit, a 29% increase year-over-year and a 6% increase sequentially. The third quarter distribution at AM was the 15th consecutive distribution increase since its IPO, all of which have represented growth of 28% to 30% on an annualized basis since 2014, which is an incredible achievement. AM's DCF coverage ratio has averaged 1.4x since the IPO, well in excess of the IPO-DCF coverage target of 1.15x. Additionally, AMGP announced the distribution of \$0.144 per share, a 144% increase compared to the prior year quarter and a 15% increase sequentially. The AMGP distribution was the fifth consecutive distribution increase since its IPO in May of 2017.

As Paul mentioned before, the accretion and the simplification transaction allows us to continue this peer-leading growth and more than keep-whole our AM public unitholders on their distributions on the previously provided growth targets.

Now let's move on to the third quarter operational results beginning with Slide #8, titled High-Growth Year-Over-Year Midstream Throughput. All of our gathering, compression, processing and fractionation volumes represented record highs for AM during the third quarter of 2018.

Starting on the top left portion of the page. Low-pressure gathering volumes were 2.2 Bcf per day in the third quarter, which represents a 37% increase from the prior year quarter. Compression volumes during the quarter averaged 1.8 Bcf per day, a 45% increase compared to the prior year quarter. Compression capacity was 80% utilized during the quarter.

Joint venture gross processing volumes averaged just over 600 million per day, a 65% increase compared to the prior year quarter. Processing capacity was over 100% utilized during the quarter, and we expect continued growth as we place online Sherwood 10 and 11 during the fourth quarter, adding an additional 400 million per day of processing capacity and bringing the joint venture's total capacity to 1 Bcf per day.

Joint venture gross fractionation volumes were nearly 18,000 barrels per day, a 170% increase over the prior year quarter. Fresh water delivery volumes averaged 195,000 barrels per day, a 37% increase over the prior year quarter.

Looking ahead to the fourth quarter, we expect a decline in fresh water delivery volumes as compared to the third quarter due to reducing our completion crews from 6 in the first half of 2018 to 4 in the third quarter and to 3 in the fourth quarter.

Moving on to financial results. Adjusted EBITDA for the third quarter was \$186 million, a 46% increase compared to the prior year quarter. The increase in adjusted EBITDA was primarily driven by increased throughput and fresh water delivery volumes.

Distributable cash flow for the third quarter is \$157 million, resulting in a healthy DCF coverage ratio of 1.3x.

During the third quarter, Antero Midstream invested \$131 million in gathering infrastructure and \$19 million in water handling infrastructure. In addition to gathering and water, AM invested \$35 million in the processing and fractionation joint venture during the third quarter.

Moving on to balance sheet and liquidity. As of September 30, 2018, Antero Midstream had \$875 million drawn on its \$1.5 billion revolving credit facility, resulting in \$625 million in liquidity and a net debt-to-LTM EBITDA ratio of 2.3x.

In addition, after quarter end, Antero Midstream exercised the accordion feature on its revolving credit facility, increasing the borrowing capacity from \$1.5 billion to \$2 billion.

I'll finish my comments on the outlook for New AM on Slide #9, titled Best-In-Class Midstream Vehicle. In addition to our premier asset footprint in operations, we believe the recently announced simplification transaction checks all the boxes for current and future shareholders and we remain excited about the future prospects of New AM. New AM will be a 1099 security with no IDRs or K-1s and substantially shielded from taxes through at least 2024. Our core financial policy will remain unchanged with New AM maintaining its self-funding organic business model, strong balance sheet, healthy Bcf coverage and significant liquidity. We remain highly aligned and integrated with AR, which gives us visibility and provide our long-term targets. Our organic growth strategy will continue to be focused on just-in-time capital investment, which we believe leads to top tier capital efficiency and high-teens return on invested capital.

In summary, we will continue to leverage our visibility into AR's development plan to generate attractive project and corporate-level rates of return and deliver value to our unitholders. As a result of the transaction, New AM will be one of the top 20 midstream companies by market capitalization, which is highlighted on Slide #10, titled Highest Dividend Growth Among Top 20 Midstream. In the chart, red font indicates midstream companies that are structured to C-corps and the asterisks indicate companies have eliminated IDRs. Of that peer group, New AM is expected to have the highest distribution growth among the top 20 infrastructure C-corps and one of the strongest balance sheets, with a 27% distribution compounded annual growth rate through 2021 and an initial leverage around 3x trailing into the low 2x range.

With all these characteristics, we remain excited about the value proposition New AM presents as shown on Slide #11, titled Yield Versus Growth Implies Attractive Value. New AM is expected to have the highest distribution growth among midstream infrastructure corporations and entities that eliminated IDRs. In addition, New AM's leverage profile is expected to be a turn lower than the peer average at closing and continue to decline into low 2x by 2022. We believe this growth profile and strong balance sheet, combined with no equity needs to fund the organic growth capital, should result in an attractive value proposition.

Based on the market implied valuation of yield versus growth, New AM has an implied yield of 5% resulting in a pro forma share value of \$25 per share or over 50% of the site to the base price. With that, operator, we are ready to take questions.

Question and Answer

Operator

[Operator Instructions] And our first questioner today will be Spiro Dounis with Crédit Suisse.

John Ross Mackay

Crédit Suisse AG, Research Division

It's John Mackay on for Spiro. First one, even talking about getting more involved downstream for a while now. Obviously, the MPLX JV was a great first step. But just kind of wondering what the kind of next steps to look like and kind of what the gating factors might be there?

Glen C. Warren

President, Secretary & Director of Antero Midstream Partners GP LLC

Yes, that's still an objective longer-term certainly, and I think part of the delay in doing anything there has been the delay in some of the projects and just watching how the takeaway universe comes together for liquids. So it just hasn't been actionable, I guess, at this point in time and hopefully it will be down the road.

John Ross Mackay

Crédit Suisse AG, Research Division

That's fair. And just a follow-up. On the AR called -- talked about kind of upstream consolidation Northeast from midstream we saw Borealis this morning. Just wondering your thoughts kind of on, if we can see anymore midstream kind of Northeast consolidation?

Glen C. Warren

President, Secretary & Director of Antero Midstream Partners GP LLC

I think you will continue to see some. I think it will go somewhat hand-in-hand with upstream consolidation. We expect to see some more of that. So yes, that's something we certainly look at in addition to our organic growth, also looking at acquisition opportunities. We haven't done anything like that to date, but we continue to look. Our filter is pretty tight because we would only want to do something that where our molecules impact the assets on the midstream side and those are a little bit more difficult to find, but we continue to look.

Operator

And our next questioner today will be Tim Howard with Stifel.

Timothy D. Howard

Stifel, Nicolaus & Company, Incorporated, Research Division

Could we have an update on the water treatment facility and maybe utilization in 4Q and any 2019 expectations?

Paul M. Rady

Chairman & CEO of Antero Midstream Partners GP LLC

Yes. Our design on the water facility has been -- would be performing at 40,000 barrels a day. And we're still in the commissioning phase, where it's up and down. We've processed as much as 40,000 barrels a day, but we're still working out some of the bugs in the project.

Timothy D. Howard

Stifel, Nicolaus & Company, Incorporated, Research Division

Got it. And if that continues into 2019, would it risk any of the gathering and processing business at all or just AR's growth in general?

Glen C. Warren

President, Secretary & Director of Antero Midstream Partners GP LLC

No, it doesn't have any impact on that. It would just have a slight immaterial impact to the EBITDA in 2019, but doesn't affect any of the gathering.

Timothy D. Howard

Stifel, Nicolaus & Company, Incorporated, Research Division

Okay. Got it. And then pivoting to the pro forma entity, how should we think about 2019 distribution growth? Should we anticipate a like onetime step-up in the ratable growth thereafter for like the first quarter of pro forma? Or should we anticipate kind of ratable growth throughout?

Glen C. Warren

President, Secretary & Director of Antero Midstream Partners GP LLC

That's right. So we came out with \$1.24 distribution per unit in 2019 expectations. That starts in the first quarter with \$0.28 per share and then it's the 28% to 30% growth for that for a total of \$1.24.

Timothy D. Howard

Stifel, Nicolaus & Company, Incorporated, Research Division

Okay. Got it. And then last one, the comment on inclusion into major indices following the transactions close, are there any of the boxes that need to be checked for that consideration?

Glen C. Warren

President, Secretary & Director of Antero Midstream Partners GP LLC

We tick all the boxes. The one, I think, that we're close on, but should be there in 2019 is 50% of the float outstanding, but we're very close on that one as well. So by the time the indices would consider including us, I think we would tick all the boxes.

Operator

And our next questioner today will be Ned Baramov with Wells Fargo.

Ned Antonov Baramov

Wells Fargo Securities, LLC, Research Division

Maybe just going back on your water business. Could you talk about water usage per well? I think we have in on an upward trajectory for this metric since you acquired the business from AR, and I think that's been driven by longer laterals, increases in completion stages, which in turn drive higher usage of propane and water per foot. But are there any lengths or lateral lengths or water usage per foot that could be treated as the limits beyond which returns would diminish based on what we know today?

Glen C. Warren

President, Secretary & Director of Antero Midstream Partners GP LLC

Yes, you're right and we've been increasing on that. We're actually fairly consistent in Q3 in that kind of mid-40 barrel that kind of since where we've shaken out and that's based on a 2,000-pound of sand completion. The lateral feet has increased as well. We're up in the average around the 10,000 feet per lateral that were actually the wells we're completing right now. So those all ticked up. But our guidance is always based on that 2,000-pound sand per foot. And based on the lateral lengths that AR provides us and then it's 46 -- excuse me, 44 barrels of water per foot on average for the program and that's been consistent. The other thing I would note is that we've been on the upper end of actual number of wells that we service from a freshwater perspective. In 2018, our initial guidance range was 150 to 160 wells being completed. We're in the high-end of that guidance range. So more on the 160 wells for the year. So that's also added to the improved performance and improved EBITDA from the freshwater business.

Paul M. Rady

Chairman & CEO of Antero Midstream Partners GP LLC

And then as far Ned, as your question on, would we -- as we go to longer and longer laterals, would we change those proportions of sand and water and the answer is, no, we've gone sideways out towards 15,000 feet in the Marcellus and 17,000 in the Utica, but we -- from what we've done so far, we've used our same formula, our same designs in terms of sand per foot and water per foot, and we've seen productivity that is -- that doesn't diminish as you go longer and longer that [URs] per 1,000 are the same. So we probably be applying the same design. So the answer is even as we go longer and longer, it will still be about the same amounts of sand and water proportionately.

Ned Antonov Baramov
Wells Fargo Securities, LLC, Research Division

Okay. That's great. And then maybe looking at 2019, is the 150 to 160 wells still a good number?

Glen C. Warren
President, Secretary & Director of Antero Midstream Partners GP LLC

Yes. Very close to that. Yes.

Ned Antonov Baramov
Wells Fargo Securities, LLC, Research Division

Okay. And maybe one more, if I may. You've talked about the importance of maintaining the integrated upstream and midstream relationship. So given some of your peers have elected to pursue a different route where a midstream is an independent operation, would you consider pursuing third-party opportunities a little bit more aggressively?

Paul M. Rady
Chairman & CEO of Antero Midstream Partners GP LLC

Yes. It depends on the opportunity, of course. As Glen was mentioning, we strategically like to think about opportunities where the upstream touches the midstream and, of course, that's to keep out the volume risk we know from the upstream side how -- what the volumes would be through a midstream infrastructure. So we still stick with that. We do have third-party opportunities. So far they are more on the waterside, which would be definitely accretive. And I'm not sure, you would see us going out there and competing with other third stream -- third-party midstream where we're paying high multiples to service somebody else. So we're pretty conscious that it's a highly competitive market and oftentimes midstream companies overpay in order to be able to provide services for people. So we look at it, but we don't see it as quite as attractive as servicing AR.

Operator

And this will conclude our question-and-answer session. I would now like to turn the conference back over to Michael Kennedy for any closing remarks.

Michael N. Kennedy
Senior VP of Finance & CFO - Antero Midstream Partners GP LLC

Thank you for joining us on our call today. If you have any further questions, please feel free to reach out to us. Thanks, again.

Operator

The conference has now concluded. Thank you all for attending today's presentation, and you may now disconnect your lines.

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