

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF WEST VIRGINIA  
AT CLARKSBURG**

**JACKLIN ROMEO, SUSAN S. RINE, and  
DEBRA SNYDER MILLER, individually and  
on behalf of others similarly situated,**

**Plaintiffs,**

**v.**

**Civil Action No. 1:17-cv-88  
Judge Keeley**

**ANTERO RESOURCES CORPORATION.**

**Defendant.**

**ANTERO RESOURCES CORPORATION'S ANSWER  
TO SECOND AMENDED CLASS ACTION COMPLAINT**

Defendant Antero Resources Corporation (“Antero”) submits the following in answer to the Second Amended Class Action Complaint (“Second Amended Complaint”) filed by Plaintiffs Jacklin Romeo, Susan S. Rine, and Debra Snyder Miller, individually and on behalf of others similarly situated.

**JURISDICTION AND VENUE**

1. Antero is without information sufficient to admit or deny the allegations in numbered paragraph 1 of the Second Amended Complaint, except that Antero admits that Antero is a citizen of Colorado and Delaware.

2. Antero admits that this Court has personal jurisdiction over Antero because Antero has conducted substantial business activities in West Virginia, but denies the remaining allegations in numbered paragraph 2 of the Second Amended Complaint.

3. Antero admits that venue is proper in this judicial district, but denies the remaining allegations in numbered paragraph 3 of the Second Amended Complaint.

**PARTIES**

4. Antero admits that Ms. Romeo has received royalty payments on certain oil and natural gas mineral interests located in Doddridge County, West Virginia, but denies that the lease attached to the Second Amended Complaint as Exhibit 1, dated March 14, 1984, and the lease dated December 30, 1983, Book 134, Page 207, contain identical royalty language. Antero is without sufficient information to admit or deny the remaining allegations in numbered paragraph 4 of the Second Amended Complaint. The leases referenced in numbered paragraph 4 of the Second Amended Complaint speak for themselves.

5. Antero admits that Ms. Rine has received royalty payments on certain oil and natural gas mineral interests located in Harrison County, West Virginia. Antero is without sufficient information to admit or deny the remaining allegations in numbered paragraph 5 of the Second Amended Complaint. The lease referenced in numbered paragraph 5 of the Second Amended Complaint speaks for itself.

6. Antero admits that Ms. Miller has received royalty payments on certain oil and natural gas mineral interests located in Harrison County, West Virginia. Antero is without sufficient information to admit or deny the remaining allegations in numbered paragraph 6 of the Second Amended Complaint. The lease referenced in numbered paragraph 6 of the Second Amended Complaint speaks for itself.

7. Antero denies the allegations in numbered paragraph 7 of the Second Amended Complaint. The leases referenced in paragraph 7 of the Second Amended Complaint speak for themselves.

8. Antero admits the allegations in numbered paragraph 8 of the Second Amended Complaint.

**CLASS DEFINITION**

9. Antero denies the allegations in numbered paragraph 9 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 9 of the Second Amended Complaint speak for themselves.

**CLASS ACTION ALLEGATIONS**

10. Antero denies the allegations in numbered paragraph 10 of the Second Amended Complaint.

**A. NUMEROSITY - Federal Rule of Civil Procedure 23(a)(1)**

11. Antero is without information sufficient to admit or deny the allegations in numbered paragraph 11 of the Second Amended Complaint.

**B. COMMONALITY - Federal Rule of Civil Procedure 23(a)(2)**

12. Antero denies the allegations in numbered paragraph 12 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 12 of the Second Amended Complaint speak for themselves.

**C. TYPICALITY - Federal Rule of Civil Procedure 23(a)(3)**

13. Antero denies the allegations in numbered paragraph 13 of the Second Amended Complaint.

**D. ADEQUACY OF REPRESENTATION - Federal Rule of Civil Procedure 23(a)(4)**

14. Antero is without information sufficient to admit or deny the allegations in numbered paragraph 14 of the Second Amended Complaint, except that Antero denies that Plaintiffs will fairly and adequately protect the interests of the putative class members.

**E. PREDOMINANCE AND SUPERIORITY - Federal Rule of Civil Procedure 23(b)(3)**

15. Antero denies the allegations in numbered paragraph 15 of the Second Amended Complaint.

16. Antero denies the allegations in numbered paragraph 16 of the Second Amended Complaint.

**FACTUAL BACKGROUND SUPPORTING  
THE CLAIMS OF PLAINTIFFS AND THE CLASS**

17. Antero is without sufficient information to admit or deny the allegations in numbered paragraph 17 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 17 of the Second Amended Complaint speak for themselves.

18. Antero is without sufficient information to admit or deny the allegations in numbered paragraph 18 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 18 of the Second Amended Complaint speak for themselves.

19. Antero admits the allegations in numbered paragraph 19 of the Second Amended Complaint, except that Antero denies that each of Plaintiffs is a lessor under lease agreements (Exhibits 1 and 2). The leases referenced in numbered paragraph 19 of the Second Amended Complaint speak for themselves.

20. Antero is without information sufficient to admit or deny the allegations in numbered paragraph 20 of the Second Amended Complaint, except that Antero admits that the modification of the 1984 Lease Agreement grants certain pooling rights directly to Antero and further denies that Antero acquired the rights and obligations of the Lessee under the 1984 Lease Agreement in the title chain set forth in numbered paragraph 20 of the Second Amended Complaint. The “1984 Lease Agreement,” Last Will and Testament of Betty Nixon,

modification, and assignments referenced in numbered paragraph 20 of the Second Amended Complaint speak for themselves.

21. Antero is without sufficient information to admit or deny the allegations in numbered paragraph 21 of the Second Amended Complaint. The 1984 Lease Agreement speaks for itself.

22. Antero is without sufficient information to admit or deny the allegations in numbered paragraph 22 of the Second Amended Complaint, except that Antero admits that the modifications of the 1979 Lease Agreement grant certain pooling rights directly to Antero. The “1979 Lease Agreement,” Last Will and Testament of Martha B. Snyder, and modifications referenced in numbered paragraph 22 of the Second Amended Complaint speak for themselves.

23. Antero admits the allegations in numbered paragraph 23 of the Second Amended Complaint. The assignments, certificate of merger, and certificate of conversion referenced in numbered paragraph 23 of the Second Amended Complaint speak for themselves.

24. Antero is without sufficient information to admit or deny the allegations in numbered paragraph 24 of the Second Amended Complaint. The 1979 Lease Agreement speaks for itself.

25. The allegations in numbered paragraph 25 of the Second Amended Complaint call for legal conclusions to which no response is necessary. The 1984 and 1979 Lease Agreements speak for themselves. To the extent that a response may be necessary, Antero denies the allegations.

26. Antero denies the allegations in numbered paragraph 26 of the Second Amended Complaint.

27. Antero is without sufficient information to admit or deny the allegations set forth in the first sentence of numbered paragraph 27 of the Second Amended Complaint. Antero denies the

remaining allegations in numbered paragraph 27 of the Second Amended Complaint.

28. Antero is without sufficient information to admit or deny the allegations set forth in the first sentence of numbered paragraph 28 of the Second Amended Complaint. Antero denies the remaining allegations in numbered paragraph 28 of the Second Amended Complaint.

29. Antero is without sufficient information to admit or deny the allegations in numbered paragraph 29 of the Second Amended Complaint.

30. Antero denies the allegations in numbered paragraph 30 of the Second Amended Complaint.

31. The allegations in numbered paragraph 31 of the Second Amended Complaint call for legal conclusions to which no response is necessary. The Royalty Agreements referenced in numbered paragraph 31 of the Second Amended Complaint speak for themselves. To the extent that a response may be necessary, Antero denies the allegations.

32. Antero denies the allegations in numbered paragraph 32 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 32 of the Second Amended Complaint speak for themselves.

33. Antero is without sufficient information to admit or deny the allegations in numbered paragraph 33 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 33 of the Second Amended Complaint speak for themselves.

34. Antero is without sufficient information to admit or deny the allegations in numbered paragraph 34 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 34 of the Second Amended Complaint speak for themselves.

35. Antero denies the allegations in numbered paragraph 35 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 35 of the Second Amended Complaint speak for themselves.

36. Antero denies the allegations in numbered paragraph 36 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 36 of the Second Amended Complaint speak for themselves.

37. Antero denies the allegations in numbered paragraph 37 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 37 of the Second Amended Complaint speak for themselves.

**FIRST CLAIM FOR RELIEF**  
**(Breach of Contract)**

38. Antero restates and incorporates its responses to numbered paragraphs 1 through 37 in response to numbered paragraph 38 of the Second Amended Complaint.

39. Antero is without sufficient information to admit or deny the allegations in numbered paragraph 39 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 39 of the Second Amended Complaint speak for themselves.

40. Antero is without sufficient information to admit or deny the allegations in numbered paragraph 40 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 40 of the Second Amended Complaint speak for themselves.

41. Antero denies the allegations in numbered paragraph 41 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 41 of the Second Amended Complaint speak for themselves.

42. Antero denies the allegations in numbered paragraph 42 of the Second Amended Complaint. The Royalty Agreements referenced in numbered paragraph 42 of the Second Amended Complaint speak for themselves.

**PRAYER FOR RELIEF**

Antero denies the allegations contained in the prayer for relief and further denies that Plaintiffs are entitled to any relief whatsoever.

Antero denies all allegations not expressly admitted herein.

**AFFIRMATIVE DEFENSES**

1. The Second Amended Complaint fails to state a claim upon which relief may be granted.
2. Plaintiffs and/or putative class members have failed to perform their obligations under the agreements.
3. Plaintiffs and/or putative class members have failed to perform conditions precedent to requesting relief, including but not limited to arbitration, audit, and/or notice and demand provisions of the agreements.
4. Plaintiffs and/or putative class members have waived their claims and are estopped from obtaining relief.
5. Plaintiffs and/or putative class members have ratified or acquiesced in the conduct for which they now seek relief.
6. Plaintiffs and/or putative class members have failed to mitigate any damages.
7. Plaintiffs and/or putative class members may have unclean hands.
8. Plaintiffs' and/or putative class members' claims may be barred by the statute of frauds.
9. Plaintiffs' and/or putative class members' claims may be barred by the doctrines of payment and/or release.
10. Plaintiffs' and/or putative class members' claims may be barred by the doctrine of



accord and satisfaction.

11. Plaintiffs' and/or putative class members' claims may be barred by the doctrine of res judicata.

12. Plaintiffs' and/or putative class members' claims may be barred by the parties' courses of dealing.

13. Plaintiffs and/or putative class members' claims may be barred because Antero does not have a duty to pay royalties on prices received for marketable residue gas and natural gas liquids at the point of sale without deductions.

14. Plaintiffs are not appropriate class representatives, and this action is not appropriate for treatment as a class action.

15. Plaintiffs have withdrawn any claim insofar as it relates to the 1983 Lease referenced in the Second Amended Complaint, stating that "[t]he 1983 lease agreement is not an operative lease agreement which is at issue in this case." ECF No. 35 at 3.

16. Plaintiffs' claims are barred because Plaintiffs' leases are market value leases controlled by *Imperial Colliery Co. v. Oxy USA Inc.*, 912 F.2d 696 (4th Cir. 1990); *Wellman v. Energy Resources, Inc.*, 210 W. Va. 200, 557 S.E.2d 254 (2001), and *Tawney v. Columbia Natural Resources, L.L.C.*, 219 W. Va. 266, 633 S.E.2d 22 (2006), do not apply because their holdings are limited to "proceeds" leases.

17. Plaintiffs' claims are barred because Antero is permitted to employ the "net-back" or "work-back" method of royalty calculation for Plaintiffs leases, which are market value leases.

18. Plaintiffs' claims are barred because Antero is permitted to take deductions from royalties on Plaintiffs' leases for gas, which, unlike oil, is not "free of costs," and/or on products,

which are paid based on “net value at the factory.”

WHEREFORE, Defendant Antero Resources Corporation prays that the Court dismiss the Complaint and award Antero costs and fees incurred in its defense.

Respectfully submitted this 19th day of September 2018.

*/s/ Amy M. Smith*

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**CERTIFICATE OF SERVICE**

I hereby certify that on the 19th day of September 2018, I electronically filed the foregoing “Antero Resources Corporation’s Answer to Second Amended Class Action Complaint” with the Clerk of the Court using the CM/ECF System, which will send notification of such filing to the following CM/ECF participants.

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