

CONSOL Energy Inc
Form 8-K
November 16, 2016

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): November 16, 2016 (November 16, 2016)

CONSOL Energy Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

001-14901
(Commission

File Number)
CNX Center

51-0337383
(IRS Employer

Identification No.)

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1000 CONSOL Energy Drive

Canonsburg, Pennsylvania 15317

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (724) 485-4000

Not applicable

(Former name or former address, if changed since last report)

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 (*see* General Instruction A.2. below):

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))

Item 2.01. Completion of Acquisition or Disposition of Assets.

On November 16, 2016, in accordance with the terms of the previously disclosed Contribution Agreement (the Contribution Agreement) dated November 15, 2016, by and among CONE Midstream Partners LP, a Delaware limited partnership (the Partnership), CONE Midstream GP LLC, a Delaware limited liability company and the general partner of the Partnership (the General Partner), CONE Midstream Operating Company LLC, a Delaware limited liability company, and CONE Gathering LLC (CONE Gathering), a Delaware limited liability company and a midstream joint venture formed by CONSOL Energy Inc., a Delaware corporation (CONSOL), and Noble Energy, Inc., a Delaware corporation (Noble), and the other parties thereto, the Partnership acquired the remaining 25% limited partner interest (the Acquisition) in CONE Midstream DevCo I LP from CONE Gathering in exchange for (i) cash consideration in the amount of \$140 million, (ii) the Partnership 's issuance of 5,183,154 common units representing limited partner interests in the Partnership (the Common Units) at an issue price of \$20.42 per Common Unit (the Common Unit Issue Price) and (iii) the Partnership 's issuance to the General Partner of an additional general partner interest in the Partnership in an amount necessary for the General Partner to maintain its two percent general partner interest in the Partnership. The Common Unit Issue Price was calculated as the volume-weighted average trading price of the Common Units over the trailing 20-day trading period ending on November 11, 2016. The Partnership funded the cash consideration with borrowings under its revolving credit facility. CONE Gathering distributed the cash consideration and issued the Common Units 50% to CNX Gas Company LLC, a wholly owned subsidiary of CONSOL, and 50% to Noble Midstream LLC, a wholly owned subsidiary of Noble.

The foregoing description of the Contribution Agreement is not complete and is qualified in its entirety by reference to the full text of the Contribution Agreement, which is incorporated by reference to Exhibit 10.1 of Form 8-K (file no. 001-14901) filed on November 16, 2016.

The Contribution Agreement has been included solely to provide investors and security holders with information regarding its terms. It is not intended to be a source of financial, business or operational information about CONSOL or any of its subsidiaries or affiliates or their assets. The representations, warranties and covenants contained in the Contribution Agreement are made solely for purposes of the agreement and are made as of its date; are solely for the benefit of the parties; may be subject to qualifications and limitations agreed upon by the parties in connection with negotiating the terms of the Contribution Agreement, including being qualified by confidential disclosures made for the purpose of allocating contractual risk between the parties instead of establishing matters as facts; and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors or security holders. Investors and security holders should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of CONSOL or any of its subsidiaries or affiliates or their assets. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Contribution Agreement, which subsequent information may or may not be fully reflected in public disclosures.

Following the closing of the Acquisition, the Partnership will amend and restate its existing gas gathering agreements with each of CONSOL and Noble (as amended and restated, the GGAs) in order to reflect the transactions contemplated by the recently announced Exchange Agreement under which CONSOL and Noble agreed to separate their Marcellus Shale joint venture by creating two separate operating areas. The forms of GGAs have been agreed to in the Contribution Agreement and will be executed and become effective in connection with the closing of the Exchange Agreement. As the GGAs are merely intended to reflect the change in ownership of the properties underlying the Marcellus Shale joint venture as between CONSOL and Noble, the entry into the GGAs is not expected to have a material impact on the Partnership.

Item 9.01. Financial Statements and Exhibits.

| Exhibit Number | Description of the Exhibit |
|---------------------------|--|
| Exhibit 10.1 | Contribution Agreement dated as of November 15, 2016, by and among CONE Gathering LLC, CONE Midstream GP LLC, CONE Midstream Partners LP, CONE Midstream Operating Company LLC and certain other signatories thereto which is incorporated by reference to Exhibit 10.1 to Form 8-K (file no. 001-14901) filed on November 16, 2016. |

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.

CONSOL ENERGY INC.

By: /s/ Stephanie L. Gill
Stephanie L. Gill
Vice President, General Counsel &
Corporate Secretary

Dated: November 16, 2016

Exhibit Index

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