

CONSOL Energy Inc
Form 10-Q
July 29, 2016

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended June 30, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-14901

CONSOL Energy Inc.

(Exact name of registrant as specified in its charter)

Delaware 51-0337383
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1000 CONSOL Energy Drive
Canonsburg, PA 15317-6506
(724) 485-4000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class Shares outstanding as of July 15, 2016

Common stock, \$0.01 par value 229,435,607

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The following are abbreviations of certain measurement terms commonly used in the oil and gas industry and included within this Form 10-Q:

Bbl - One stock tank barrel, or 42 U.S. gallons liquid volume, used in reference to oil or other liquid hydrocarbons.

Bcf - One billion cubic feet of natural gas.

Bcfe - One billion cubic feet of natural gas equivalents, with one barrel of oil being equivalent to 6,000 cubic feet of gas.

Btu - One British thermal unit.

Mbbls - One thousand barrels of oil or other liquid hydrocarbons.

Mcf - One thousand cubic feet of natural gas.

Mcfe - One thousand cubic feet of natural gas equivalents, with one barrel of oil being equivalent to 6,000 cubic feet of gas.

MMbtu - One million British Thermal units.

MMcfe - One million cubic feet of natural gas equivalents, with one barrel of oil being equivalent to 6,000 cubic feet of gas.

NGL - Natural gas liquids.

Tcfe - One trillion cubic feet of natural gas equivalents, with one barrel of oil being equivalent to 6,000 cubic feet of gas.

PART I : FINANCIAL INFORMATION

ITEM 1. CONDENSED FINANCIAL STATEMENTS

CONSOL ENERGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except per share data) (Unaudited)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Revenues and Other Income:				
Natural Gas, NGLs and Oil Sales	\$ 167,933	\$ 159,654	\$ 349,188	\$ 384,092
(Loss) Gain on Commodity Derivative Instruments	(199,380)	17,322	(144,320)	107,467
Coal Sales	251,166	318,995	477,330	705,021
Other Outside Sales	8,059	6,337	15,768	19,467
Purchased Gas Sales	7,929	1,517	16,547	5,114
Freight-Outside Coal	11,447	2,750	24,557	7,768
Miscellaneous Other Income	33,032	34,687	81,163	71,208
Gain (Loss) on Sale of Assets	5,614	4,312	(1,662)	6,286
Total Revenue and Other Income	285,800	545,574	818,571	1,306,423
Costs and Expenses:				
Exploration and Production Costs				
Lease Operating Expense	23,655	29,521	51,394	66,777
Transportation, Gathering and Compression	90,983	83,196	184,957	158,717
Production, Ad Valorem, and Other Fees	6,402	6,938	14,705	16,130
Depreciation, Depletion and Amortization	105,151	89,850	210,866	177,294
Exploration and Production Related Other Costs	2,823	2,324	5,231	4,364
Purchased Gas Costs	8,884	1,061	16,752	4,018
Other Corporate Expenses	30,656	20,622	58,350	39,718
Impairment of Exploration and Production Properties	—	828,905	—	828,905
Selling, General, and Administrative Costs	16,175	21,070	33,738	42,894
Total Exploration and Production Costs	284,729	1,083,487	575,993	1,338,817
Coal Costs				
Operating and Other Costs	217,465	213,022	401,834	474,765
Depreciation, Depletion and Amortization	30,069	48,280	79,342	102,982
Freight Expense	11,447	2,750	24,557	7,768
Selling, General, and Administrative Costs	6,174	6,147	10,660	12,678
Other Corporate Expenses	4,355	10,207	7,498	16,282
Total Coal Costs	269,510	280,406	523,891	614,475
Other Costs				
Miscellaneous Operating Expense	17,497	14,045	20,686	24,420
Depreciation, Depletion and Amortization	1	5	1	12
Loss on Debt Extinguishment	—	17		