AMVEST Coal & Rail, L.L.C.
Form S-4
November 20, 2015
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**As filed with the Securities and Exchange Commission on November 20, 2015**

**Registration No. 333-**

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM S-4**

**REGISTRATION STATEMENT**

***UNDER***

***THE SECURITIES ACT OF 1933***

**CONSOL ENERGY INC.**

**(Exact name of Registrant as specified in its charter)**

| **Delaware** | **1221** | **51-0337383** |
|---|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(Primary Standard Industrial Classification Code Number)** | **(IRS Employer Identification Number)** |

**1000 CONSOL Energy Drive**

**Canonsburg, Pennsylvania 15317**

**(724) 485-4000**

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

**Stephen W. Johnson**

**Executive Vice President and Chief Administrative Officer**

**CONSOL Energy Inc.**

**1000 CONSOL Energy Drive**

**Canonsburg, Pennsylvania 15317**

**(724) 485-4000**

**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

***Copy to:***

**David J. Miller**

**Latham & Watkins LLP**

**811 Main Street, Suite 3700**

**Houston, Texas 77002**

**(713) 546-5400**

***Approximate date of commencement of proposed sale of the securities to the public:*** As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

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

| | |
|---|---|
| Large accelerated filer x | Accelerated filer ¨ |
| Non-accelerated filer ¨ (Do not check if a smaller reporting company) | Smaller reporting company ¨ |

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

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**CALCULATION OF REGISTRATION FEE**

| Title of Each Class of Securities to be Registered | Amount to be Registered | Proposed Offering Price Per Note(1) | Proposed Maximum Aggregate Offering Price(1) | Amount of Registration Fee |
|---|---|---|---|---|
| 8.000% Senior Notes due 2023 | $500,000,000 | 100% | $500,000,000 | $50,350 |
| Guarantees of 8.000% Senior Notes due 2023(2) | | | | |
| Total | $500,000,000 | | $500,000,000 | $50,350 |

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(f) of the Securities Act of 1933, as amended (the Securities Act ).

(2) No separate consideration will be received for the guarantees, and no separate fee is payable pursuant to Rule 457(a) of the rules and regulations under the Securities Act.

* The companies listed in the Table of Additional Registrant Guarantors on the next page are also included in this registration statement as additional registrants.

**The registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the Registration Statement shall become effective on such date as the SEC, acting pursuant to said Section 8(a), may determine.**

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## TABLE OF ADDITIONAL REGISTRANT GUARANTORS

The following are additional registrants that will guarantee the debt securities registered hereby:

| Exact Name of Registrant Guarantor as Specified in its Charter(1) | State or Other Jurisdiction of Incorporation or Organization | I.R.S. Employer Identification Number |
|---|---|---|
| AMVEST Coal & Rail, L.L.C. | Virginia | 54-0696869 |
| AMVEST Coal Sales, Inc. | Virginia | 54-1135822 |
| AMVEST Corporation | Virginia | 54-0696869 |
| AMVEST Gas Resources, Inc. | Virginia | 20-1072935 |
| AMVEST Mineral Services, Inc. | Virginia | 54-1560754 |
| AMVEST Minerals Company, L.L.C. | Virginia | 54-0696869 |
| AMVEST Oil & Gas, Inc. | Virginia | 54-1162979 |
| AMVEST West Virginia Coal, L.L.C. | West Virginia | 54-1860378 |
| Braxton-Clay Land & Mineral, Inc. | West Virginia | 43-1948819 |
| Cardinal States Gathering Company | Virginia | 73-1394037 |
| CNX Gas Company LLC | Virginia | 31-1782401 |
| CNX Gas Corporation | Delaware | 20-3170639 |
| CNX Land LLC | Delaware | 46-4117542 |
| CNX Marine Terminals Inc. | Delaware | 25-1385259 |
| CNX RCPC LLC | Delaware | 51-0337383* |
| Coalfield Pipeline Company | Tennessee | 03-0455546 |
| Conrhein Coal Company | Pennsylvania | 25-1406541 |
| CONSOL Energy Holdings LLC VI | Delaware | 27-2130445 |
| CONSOL Energy Sales Company | Delaware | 25-1670342 |
| CONSOL Financial Inc. | Delaware | 51-0395375 |
| CONSOL Mining Company LLC | Delaware | 46-4011126 |
| CONSOL Mining Holding Company LLC | Delaware | 46-4003532 |
| CONSOL of Canada Inc. | Delaware | 98-0013773 |
| CONSOL of Central Pennsylvania LLC | Pennsylvania | 20-5105698 |
| CONSOL of Kentucky Inc. | Delaware | 94-2524120 |
| CONSOL of Ohio LLC | Ohio | 20-8338255 |
| CNX Water Assets LLC | West Virginia | 20-2471235 |
| Consol Pennsylvania Coal Company LLC | Delaware | 20-8732852 |
| Fola Coal Company, L.L.C. | West Virginia | 54-1860378 |
| Glamorgan Coal Company, L.L.C. | Virginia | 54-0696869 |
| Helvetia Coal Company | Pennsylvania | 25-1180531 |
| Island Creek Coal Company | Delaware | 55-0479426 |
| CONSOL Amonate Facility LLC | Delaware | 46-4020820 |
| CONSOL Amonate Mining Company LLC | Delaware | 46-3990422 |
| CONSOL Buchanan Mining Company LLC | Delaware | 46-3984406 |
| Knox Energy, LLC | Tennessee | 62-1866097 |
| Laurel Run Mining Company | Virginia | 54-0892422 |
| Leatherwood, Inc. | Pennsylvania | 25-1604505 |

| | | |
|---|---|---|
| Little Eagle Coal Company, L.L.C. | West Virginia | 22-3864739 |
| MOB Corporation | Pennsylvania | 25-1211093 |
| MTB Inc. | Delaware | 25-1674211 |
| Nicholas-Clay Land & Mineral, Inc. | Virginia | 55-0719265 |
| Panda Bamboo Holdings, Inc. | Delaware | 46-3396253 |
| Paros Corp. | Delaware | 46-3400629 |
| Peters Creek Mineral Services, Inc. | Virginia | 54-1536678 |
| R&PCC LLC | Pennsylvania | 46-4003532** |
| TEAGLE Company, L.L.C. | Virginia | 54-0696869 |

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| Exact Name of Registrant Guarantor as Specified in its Charter(1) | State or Other Jurisdiction of Incorporation or Organization | I.R.S. Employer Identification Number |
|---|---|---|
| TECPART Corporation | Delaware | 13-3038238 |
| Terra Firma Company | West Virginia | 20-0869908 |
| Terry Eagle Coal Company, L.L.C. | West Virginia | 54-1860378 |
| Terry Eagle Limited Partnership | West Virginia | 31-0995566 |
| Vaughn Railroad Company | West Virginia | 55-0725216 |
| Windsor Coal Company | West Virginia | 13-5488703 |
| Wolfpen Knob Development Company | Virginia | 25-1391218 |

(1) Each additional registrant is a direct or indirect subsidiary of CONSOL Energy Inc. The address, including zip code, and telephone number, including area code, of each of the additional registrant guarantor s principal office is c/o CONSOL Energy Inc., 1000 CONSOL Energy Drive, Canonsburg, PA 15317, telephone (724) 485-4000. The name, address, including zip code, and telephone number, including area code, of the agent for service for each of the additional registrant guarantors is Stephen W. Johnson, Executive Vice President and Chief Administrative Officer, CONSOL Energy Inc., 1000 CONSOL Energy Drive, Canonsburg, PA 15317, telephone (724) 485-4000.

* Uses its sole member s EIN (CONSOL Energy Inc.).

** Uses its sole member s EIN (CONSOL Mining Holdings Company LLC).

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**The information in this prospectus is not complete and may be changed. We may not sell the securities described herein until the registration statement filed with the Securities and Exchange Commission is declared effective. This prospectus is not an offer to sell the securities described herein and it is not soliciting an offer to buy such securities in any jurisdiction where such declared offering is not permitted.**

**SUBJECT TO COMPLETION, DATED NOVEMBER 20, 2015**

**PROSPECTUS**

**CONSOL Energy Inc.**

**Offer to Exchange**

**Up to $500,000,000 of**

**8.000% Senior Notes due 2023 (CUSIP Nos. 20854P AM1 and U20892 AF9)**

**that Have Not Been Registered Under**

**the Securities Act of 1933, as amended**

**for**

**Up to $500,000,000 of**

**8.000% Senior Notes due 2023**

**that Have Been Registered Under**

**the Securities Act of 1933, as amended**

*The exchange offer and related withdrawal rights will expire at 5:00 p.m., New York City time, on , unless extended.*

We are offering to exchange (the exchange offer ) up to $500 million aggregate principal amount of our new 8.000% Senior Notes due 2023, which have been registered under the Securities Act of 1933, as amended (the Securities Act ), which we refer to in this prospectus as the new notes, for any and all of our outstanding unregistered 8.000% Senior Notes due 2023, referred to in this prospectus as the old notes. We issued the old notes on March 30, 2015 in a transaction not requiring registration under the Securities Act. We are offering you new notes in exchange for old

notes in order to satisfy our registration obligations agreed to in connection with such transaction. The old notes and the new notes are collectively referred to in this prospectus as the notes, and they will be treated as a single class under the indenture governing them.

**Please read Risk Factors beginning on page 8 for a discussion of factors you should consider before participating in the exchange offer.**

We will exchange new notes for all outstanding old notes that are validly tendered and not withdrawn before expiration of the exchange offer. You may withdraw tenders of old notes at any time prior to the expiration of the exchange offer. The procedures related to this exchange are more fully described in Exchange Offer Procedures for Tendering. If you fail to tender your old notes, you will continue to hold unregistered notes that you will not be able to transfer freely.

The terms of the new notes are substantially identical to the terms of the old notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the old note do not apply to the new notes. Please read Description of New Notes for more details on the terms of the new notes. We will not receive any cash proceeds from the issuance of the new notes in the exchange offer.

Each broker-dealer that receives new notes for its own account pursuant to this offering must acknowledge that it will deliver this prospectus in connection with any resale of such new notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of up to 180 days after the exchange date (as such period may be extended), we will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. Please read Plan of Distribution.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is , 2015**

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**This prospectus is part of a registration statement we filed with the Securities and Exchange Commission. In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus and in the accompanying letter of transmittal. We have not authorized anyone to provide you with any other information. If you receive any unauthorized information, you must not rely on it. We are not making an offer to sell these securities or soliciting an offer to buy these securities in any jurisdiction where an offer or solicitation is not authorized or in which the person making that offer or solicitation is not qualified to do so or to anyone whom it is unlawful to make an offer or solicitation. You should not assume that the information contained in this prospectus, as well as the information we previously filed with the Securities and Exchange Commission that is incorporated by reference herein, is accurate as of any date other than its respective date.**

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**This prospectus incorporates important business and financial information about us that is not included or delivered with this prospectus. Such information is available without charge to holders of the old notes upon written or oral request made to CONSOL Energy Inc., 1000 CONSOL Energy Drive, Canonsburg, PA 15317, Attention: Stephen W. Johnson, Telephone: (724) 485-4000. To obtain timely delivery of any requested information, holders of the old notes must make any request no later than five business days prior to the expiration of the exchange offer.**

**Unless otherwise indicated, references to CONSOL Energy, refer to CONSOL Energy Inc. References to we, us, our and the Company refer to CONSOL Energy Inc. and its consolidated subsidiaries. References to CNX Gas refer to CNX Gas Corporation, a wholly owned subsidiary of CONSOL Energy.**

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## FORWARD-LOOKING STATEMENTS

With the exception of historical matters, the matters discussed in this prospectus are forward-looking statements (as defined in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act )) that involve risks and uncertainties that could cause actual results to differ materially from projected results. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. The forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, revenues, income and capital spending. When we use the words believe, intend, expect, may, should, anticipate, could, estimate, plan, predict, project, or their negatives, o expressions, the statements which include those words are usually forward-looking statements. When we describe strategy that involves risks or uncertainties, we are making forward-looking statements. The forward-looking statements in this prospectus speak only as of the date of this prospectus; we disclaim any obligation to update these statements unless required by securities law, and we caution you not to rely on them unduly. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks, contingencies and uncertainties relate to, among other matters, the following:

- deterioration in economic conditions in any of the industries in which our customers operate;
- prices for gas, natural gas liquids and coal are volatile and can fluctuate widely based upon a number of factors beyond our control including oversupply relative to the demand available for our products, weather and the price and availability of alternative fuels;
- an extended decline in the prices we receive for our gas, natural gas liquids and coal including the impact on gas prices of our gas operations being concentrated in Appalachia which has experienced a dramatic increase in gas production and decline in gas pricing relative to the benchmark Henry Hub prices;
- foreign currency fluctuations could adversely affect the competitiveness of coal abroad;
- our customers extending existing contracts or entering into new long-term contracts for coal;
- our reliance on major customers;
- our inability to collect payments from customers if their creditworthiness declines;
- the disruption of rail, barge, gathering, processing and transportation facilities and other systems that deliver our gas and coal to market;

a loss of our competitive position because of the competitive nature of the gas and coal industries, or a loss of our competitive position because of overcapacity in these industries impairing our profitability;

coal users switching to other fuels in order to comply with various environmental standards related to coal combustion emissions;

the impact of potential, as well as any adopted regulations relating to greenhouse gas emissions on the demand for gas and coal;

the risks inherent in gas and coal operations, including our reliance upon third party contractors, being subject to unexpected disruptions, including geological conditions, equipment failure, timing of completion of significant construction or repair of equipment, fires, explosions, accidents and weather conditions which could impact financial results;

decreases in the availability of, or increases in, the price of commodities or capital equipment used in our mining operations;

obtaining and renewing governmental permits and approvals for our gas and coal operations;

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the effects of government regulation on the discharge into the water or air, and the disposal and clean-up of, hazardous substances and wastes generated during our gas and coal operations;

our ability to find adequate water sources for our use in gas drilling, or our ability to dispose of water used or removed from strata in connection with our gas operations at a reasonable cost and within applicable environmental rules;

the effects of stringent federal and state employee health and safety regulations, including the ability of regulators to shut down a mine;

the potential for liabilities arising from environmental contamination or alleged environmental contamination in connection with our past or current gas and coal operations;

the effects of mine closing, reclamation, gas well closing and certain other liabilities;

uncertainties in estimating our economically recoverable gas, oil and coal reserves;

defects may exist in our chain of title and we may incur additional costs associated with perfecting title for gas rights on some of our properties or failing to acquire these additional rights may result in a reduction of our estimated reserves;

the outcomes of various legal proceedings, which are more fully described in our reports filed under the Exchange Act;

increased exposure to employee-related long-term liabilities;

lump sum payments made to retiring salaried employees pursuant to our defined benefit pension plan exceeding total service and interest cost in a plan year;

acquisitions that we recently have completed or may make in the future including the accuracy of our assessment of the acquired businesses and their risks, achieving any anticipated synergies, integrating the acquisitions and unanticipated changes that could affect assumptions we may have made and asset monetization transactions, including sales of additional interests in our thermal coal or other assets to CNX Coal Resources LP and divestitures to third parties we anticipate may not occur or produce anticipated proceeds;

the terms of our existing joint ventures restrict our flexibility, actions taken by the other party in our gas joint ventures may impact our financial position and various circumstances could cause us not to realize the benefits we anticipate receiving from these joint ventures;

risks associated with our debt;

replacing our gas and oil reserves, which if not replaced, will cause our gas and oil reserves and production to decline;

our hedging activities may prevent us from benefiting from price increases and may expose us to other risks;

changes in federal or state income tax laws, particularly in the area of percentage depletion and intangible drilling costs, could cause our financial position and profitability to deteriorate;

failure to appropriately allocate capital and other resources among our strategic opportunities may adversely affect our financial condition;

failure by Murray Energy to satisfy liabilities it acquired from us, or failure to perform its obligations under various arrangements, which we guaranteed, could materially or adversely affect our results of operations, financial position, and cash flows;

information theft, data corruption, operational disruption and/or financial loss resulting from a terrorist attack or cyber incident;

operating in a single geographic area; and

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other factors discussed under the caption Risk Factors herein and in our Annual Report on Form 10-K for the year ended December 31, 2014 and our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2015, June 30, 2015 and September 30, 2015, which are incorporated herein by reference.

Developments in any of these areas could cause actual results to differ materially from those anticipated or projected or cause a significant reduction in the market price of our common stock or notes.

The foregoing list of risks and uncertainties may not contain all of the risks and uncertainties that could affect us. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements in this prospectus may not in fact occur. Accordingly, undue reliance should not be placed on these statements. We undertake no obligation to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise, except as otherwise provided by law.

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## PROSPECTUS SUMMARY

*This summary provides a brief overview of information included or incorporated by reference in this prospectus. Because it is abbreviated, this summary does not contain all of the information that you should consider before investing in the notes. You should read the entire prospectus carefully, including the section entitled Risk Factors in this prospectus and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2015, June 30, 2015 and September 30, 2015, which are incorporated herein by reference, before making a decision to exchange old notes for new notes.*

*Unless otherwise indicated, references to CONSOL Energy, refer to CONSOL Energy Inc. References to we, us, our and the Company refer to CONSOL Energy Inc. and its consolidated subsidiaries. References to CNX Gas refer to CNX Gas Corporation, a wholly owned subsidiary of CONSOL Energy.*

### Company Overview

We are an integrated energy company operating through two primary divisions, oil and natural gas exploration and production (our E&P division ) and coal mining (our coal division ). Our E&P division is focused on Appalachian area natural gas and liquids activities, including production, gathering, processing and acquisition of natural gas properties in the Appalachian Basin. Our coal division is focused on the extraction and preparation of coal, also in the Appalachian Basin.

We were incorporated in Delaware in 1991, but our predecessors have been mining coal, primarily in the Appalachian Basin, since 1864. We entered the natural gas business in the 1980s initially to increase the safety and efficiency of our coal mines by capturing methane from coal seams prior to mining. Over the past ten years, our natural gas production has grown by approximately 330% to produce 235.7 net billion cubic feet of natural gas equivalent in 2014. Our E&P business has grown from coalbed methane production in Virginia into other unconventional production, such as the Marcellus Shale and Utica Shale, in the Appalachian Basin.

Our E&P division operates, develops and explores for natural gas primarily in Appalachia (Pennsylvania, West Virginia, Virginia, Ohio and Tennessee). Currently, our primary focus is the continued development of our Marcellus Shale acreage and the exploration and development of our Utica Shale acreage. We believe that our concentrated operating area, legacy surface acreage position, regional operating expertise, geological logs from nearly 100 years of shallow oil and natural gas drilling activity in the region, held by production acreage position, and ability to coordinate natural gas drilling with coal mining activity collectively give us a significant operating advantage over our competitors.

For a further discussion of our business, we urge you to read our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2015, June 30, 2015 and September 30, 2015. See Additional Information.

### Additional Information

Our principal executive offices are located at CNX Center, 1000 CONSOL Energy Drive, Canonsburg, PA 15317-6505, and our telephone number is 724-485-4000. Our website is located at www.consolenergy.com. Information on our website or any other website is not incorporated by reference herein and does not constitute a part of this prospectus.

We make available our periodic reports and other information filed with or furnished to the Securities and Exchange Commission (the SEC ), free of charge through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC.

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## The Exchange Offer

On March 30, 2015, we completed a private offering of $500 million aggregate principal amount of our 8.000% Senior Notes due 2023 to qualified institutional buyers under Rule 144A of the Securities Act ( Rule 144A ) and non-U.S. persons outside the United States under Regulation S under the Securities Act ( Regulation S ). We refer to these notes in this prospectus as the old notes. As part of that private offering, we entered into a registration rights agreement with the initial purchasers of the old notes in which we agreed, among other things, to deliver this prospectus to you and to use our commercially reasonable efforts to complete the exchange offer on or prior to May 3, 2016. The following is a summary of the exchange offer.

| | |
|---|---|
| Old notes | On March 30, 2015 we issued $500 million aggregate principal amount of 8.000% Senior Notes due 2023. |
| New notes | 8.000% Senior Notes due 2023.<br><br>The terms of the new notes are substantially identical to the terms of the old notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the old notes do not apply to the new notes. The new notes offered hereby, together with any old notes that remain outstanding after the completion of the exchange offer, will be treated as a single class for all purposes under the indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. The new notes will have a CUSIP number different from that of any old notes that remain outstanding after the completion of the exchange offer. |
| Exchange offer | We are offering to exchange up to $500 million aggregate principal amount of our new 8.000% Senior Notes due 2023 that have been registered under the Securities Act for an equal amount of our outstanding 8.000% Senior Notes due 2023 that have not been so registered to satisfy our obligations under the registration rights agreement that we entered into in connection with the issuance of the old notes. |
| Expiration date | The exchange offer will expire at 5:00 p.m., New York City time, on (the expiration date ) unless we decide to extend such deadline. |
| Conditions to the exchange offer | The registration rights agreement does not require us to accept old notes for exchange if the exchange offer, or the making of any exchange by a holder of the old notes, would violate any applicable law or policy of the |

| | |
|---|---|
| | SEC. The exchange offer is not conditioned on a minimum aggregate principal amount of old notes being tendered. Please read Exchange Offer Conditions to the Exchange Offer for more information about the conditions to the exchange offer. |
| Procedures for tendering old notes | All of the old notes are held in book-entry form through the facilities of The Depository Trust Company ( DTC ). To participate in the exchange offer, you must follow the automatic tender offer program ( ATOP ) procedures established by DTC for tendering notes held in |

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| | book-entry form. The ATOP procedures require that (i) the exchange agent receive, prior to the expiration date, a computer generated message known as an agent s message that is transmitted through ATOP, and (ii) DTC confirm that:<br><br>DTC has received your instructions to exchange your old notes, and<br><br>you agree to be bound by the terms of the letter of transmittal included as Annex A hereto.<br><br>For more information on tendering your old notes, please refer to the sections in this prospectus entitled Exchange Offer Terms of the Exchange Offer, Exchange Offer Procedures for Tendering and Description of New Notes Book-Entry, Delivery and Form. |
| Guaranteed delivery procedures | None. |
| Withdrawal of tenders | You may withdraw your tender of old notes at any time prior to the expiration date. To withdraw, you must submit a notice of withdrawal to the exchange agent using ATOP procedures before 5:00 p.m., New York City time, on the expiration date. Please read Exchange Offer Withdrawal of Tenders. |
| Acceptance of old notes and delivery of new notes | If you fulfill all conditions required for proper acceptance of old notes, we will accept any and all old notes that you properly tender in the exchange offer on or before 5:00 p.m., New York City time, on the expiration date. We will return any old notes that we do not accept for exchange to you without expense promptly after the expiration date. Please refer to the section in this prospectus entitled Exchange Offer Terms of the Exchange Offer. |
| Fees and expenses | We will bear all expenses related to the exchange offer. Please read Exchange Offer Fees and Expenses. |
| Use of proceeds | We will not receive any proceeds from the issuance of the new notes. We are making the exchange offer solely to satisfy our obligations under the registration rights agreement. |

| | |
|---|---|
| Consequences of failure to exchange old notes | If you do not exchange your old notes in the exchange offer, you will no longer be able to require us to register the old notes under the Securities Act, except in limited circumstances provided under the registration rights agreement. In addition, you will not be able to resell, offer to resell or otherwise transfer the old notes unless we have registered the old notes under the Securities Act, or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act. |

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|---|---|
| | In addition, after the consummation of the exchange offer, it is anticipated that the outstanding principal amount of the old notes available for trading will be significantly reduced. This reduced float may adversely affect the liquidity and market price of the old notes. A smaller outstanding principal amount of old notes available for trading may make the prices of old notes more volatile. |
| U.S. federal income tax consequences | The exchange of old notes for new notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes. Please read Material United States Federal Income Tax Consequences. |
| Exchange agent | We have appointed Wells Fargo Bank, National Association as exchange agent for the exchange offer. You should direct questions and requests for assistance, requests for additional copies of this prospectus or the letter of transmittal to the exchange agent addressed as follows: By registered and certified mail: Wells Fargo Bank, N.A., Corporate Trust Operations, MAC N9303-121, P.O. Box 1517, Minneapolis, MN 55480; by regular mail or courier: Wells Fargo Bank, N.A., Corporate Trust Operations, MAC N9303-121, 6th St. & Marquette Avenue, Minneapolis, MN 55479. Eligible institutions may make requests for facsimile transmission at (877) 407-4679. |

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**Terms of the New Notes**

The terms of the new notes will be substantially identical to the terms of the old notes, except that the new notes will be registered under the Securities Act and the transfer restrictions, registration rights and provisions for additional interest relating to the old notes do not apply to the new notes. The new notes will evidence the same debt as the old notes, and the same indenture that governs the old notes will govern the new notes. We sometimes refer to the new notes and the old notes collectively in this prospectus as the notes.

The following summary contains basic information about the new notes and is not intended to be complete. It does not contain all information that may be important to you. For a more complete understanding of the new notes, please read Description of New Notes.

| | |
|---|---|
| Issuer | CONSOL Energy Inc. |
| Notes offered | $500 million principal amount of 8.000% Senior Notes due 2023. |
| Maturity date | April 1, 2023. |
| Interest rate | 8.000% per year (calculated using a 360-day year). |
| Interest payment dates | Interest on the new notes will be payable semi-annually on April 1 and October 1 of each year. The initial interest payment on the new notes will include all accrued and unpaid interest on the old notes exchanged therefor. |
| Denominations | The new notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. |
| Guarantees | The new notes will be unconditionally guaranteed by substantially all of our wholly owned domestic restricted subsidiaries. Please read Description of New Notes Guarantees. |
| Ranking | The new notes and the guarantees will be our and the guarantors senior unsecured obligations and will:<br><br>rank equally in right of payment with all of our and the guarantors existing and future senior obligations; |

rank senior in right of payment to all of our and the guarantors indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the notes;

be effectively subordinated to all of our and the guarantors secured indebtedness (including obligations under the revolving credit facility), to the extent of the value of the assets securing such indebtedness; and

be structurally subordinated to all obligations of each of our future subsidiaries that is not a guarantor of the notes.

As of September 30, 2015, we had approximately $3.5 billion of senior indebtedness, excluding approximately $281 million of outstanding secured letters of credit, and no subordinated

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| | indebtedness. In addition, as of September 30, 2015, our non-guarantor subsidiaries had $181 million of indebtedness outstanding. Please read Description of New Notes Ranking. |
| Optional redemption | We may, at our option, redeem some or all of the new notes at any time on or after April 1, 2018, at the redemption prices listed under Description of New Notes Optional Redemption.<br><br>Prior to such time, we may redeem the new notes at a price equal to 100% of the principal amount thereof, plus the applicable premium and accrued and unpaid interest to, but not including, the redemption date as described herein.<br><br>In addition, we may redeem up to 35% of the new notes before April 1, 2018 with an amount of cash not greater than the net cash proceeds from certain equity offerings at the redemption price described under Description of New Notes Optional Redemption.<br><br>Please read Description of New Notes Optional Redemption. |
| Change of control | If we experience certain kinds of change of control, each holder of new notes may require us to repurchase all or a portion of such holder s notes at a purchase price equal to 101% of the principal amount of the new notes, plus accrued interest, if any, to, but not including, the date of repurchase. Please read Description of New Notes Change of Control. |
| Certain covenants | The indenture governing the notes contains covenants that, among other things, limit our ability to:<br><br>incur additional debt or issue preferred securities;<br><br>pay dividends or repurchase equity or subordinated debt;<br><br>make unscheduled payments on subordinated indebtedness;<br><br>create liens or other encumbrances; |

make investments, loans or other guarantees;

sell or otherwise dispose of a portion of our assets;

engage in transactions with affiliates; and

make acquisitions or merge or consolidate with another entity.

These covenants are subject to a number of important qualifications and exceptions. In addition, many of the covenants contained in the indenture will be terminated before the notes mature if the notes are rated investment grade by either of Standard & Poor s or Moody s and no default has occurred and is continuing. See Description of New Notes Certain Covenants.

Transfer restrictions

The new notes generally will be freely transferable, but will also be securities for which the public market may be limited. There can be

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| | no assurance as to the development, persistence or liquidity of any market for the new notes. We do not intend to apply for a listing of the new notes on any securities exchange or any automated dealer quotation system. |
| Form of new notes | The new notes will be represented initially by one or more global notes. Each global new note will be deposited with the trustee, as custodian for DTC. |
| Same-day settlement | The global new notes will be shown on, and transfers of the global new notes will be effected only through, records maintained in book-entry form by DTC and its direct and indirect participants.<br><br>The new notes are expected to trade in DTC s same day funds settlement system until maturity or redemption. Therefore, secondary market trading activity in the new notes will be settled in immediately available funds. |
| Trading | We do not expect to list the new notes for trading on any securities exchange or automated dealer quotation system. |
| Trustee, registrar and exchange agent | Wells Fargo Bank, National Association. |
| Governing law | The notes and the indenture relating to the notes are governed by, and will be construed in accordance with, the laws of the State of New York. |
| Risk factors | The new notes involve risks. Please see Risk Factors beginning on page 8 and the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2014 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2015, June 30, 2015 and September 30, 2015, for a discussion of certain factors you should consider in evaluating an investment in the new notes. |

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## RISK FACTORS

*Investment in our securities is subject to various risks, including risks and uncertainties inherent in our business. Any of these individual risks described below, or any number of these risks occurring simultaneously, could have a material effect on our consolidated financial statements, business or results of operation. You should carefully consider these factors when evaluating your investment in our securities.*

*The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem to be immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition and results of operations could suffer. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. Please read Forward-Looking Statements. In addition, you should read the risk factors in our Annual Report on Form 10-K for the year ended December 31, 2014 and our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2015, June 30, 2015 and September 30, 2015, which are incorporated herein by reference.*

### Risks Related to the Exchange Offer

**If you fail to exchange old notes, existing transfer restrictions will remain in effect, and the market value of old notes may be adversely affected because they may be more difficult to sell.**

If you fail to exchange old notes for new notes in the exchange offer, then you will continue to be subject to the existing transfer restrictions on the old notes. In general, the old notes may not be offered or sold unless they are registered or exempt from registration under the Securities Act and applicable state securities laws. Except in connection with this exchange offer or as required by the registration rights agreement, we do not intend to register resales of the old notes.

The tender of old notes in the exchange offer will reduce the principal amount of the currently outstanding old notes. Due to the corresponding reduction in liquidity, this may have an adverse effect upon, and increase the volatility of, the market price of any currently outstanding old notes that you continue to hold following the completion of the exchange offer.

### Risks Related to Our Indebtedness

**We have substantial debt and have the ability to incur additional debt. The principal and interest payment obligations of such debt may restrict our future operations and impair our ability to meet our obligations under the notes.**

As of September 30, 2015, we and our subsidiaries had approximately $3.7 billion of outstanding indebtedness. In addition, the terms of our revolving credit facility and the indentures governing our existing senior notes permit us to incur additional debt, including up to approximately $774 million that would be available under our revolving credit facility on that date, subject to our ability to meet certain borrowing conditions.

Our substantial debt may have important consequences to you. For instance, it could:

make it more difficult for us to satisfy our financial obligations, including those relating to the notes issued in this offering;

require us to dedicate a substantial portion of any cash flow from operations to the payment of interest and principal due under our debt, which will reduce funds available for other business purposes, including capital expenditures and acquisitions;

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limit our flexibility in planning for, or reacting to, changes in our business and in the natural gas and coal industries;

place us at a competitive disadvantage compared with some of our competitors that may have less debt and better access to capital resources; and

limit our ability to obtain additional financing required to fund working capital and capital expenditures and for other general corporate purposes.

Our ability to satisfy our obligations and to reduce our total debt depends on our future operating performance and on economic, financial, competitive and other factors, many of which are beyond our control. Our business may not generate sufficient cash flow, and future financings may not be available to provide sufficient net proceeds, to meet these obligations or to successfully execute our business strategy.

**The provisions of our debt agreements and the risks associated with our debt could adversely affect our business, financial condition and results of operations.**

Our senior secured credit facility, the indentures governing our existing senior notes and the indenture governing the notes limit the incurrence of additional indebtedness unless specified tests or exceptions are met. In addition, our senior secured credit agreement, the indentures governing our existing senior notes and the indenture governing the notes subject us to financial and/or other restrictive covenants. Under our senior secured credit agreement, we must comply with certain financial covenants on a quarterly basis including a minimum interest coverage ratio, and a maximum senior secured leverage ratio, as defined. Our senior secured credit agreement, the indentures governing our existing senior notes and the indenture governing our notes offered hereby impose a number of restrictions upon us, such as restrictions on granting liens on our assets, making investments, paying dividends, selling assets and engaging in acquisitions. Failure by us to comply with these covenants could result in an event of default that, if not cured or waived, could have an adverse effect on us.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to sell assets, seek additional capital or seek to restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to sell material assets or operations to attempt to meet our debt service and other obligations. Our senior secured credit agreement, the indentures governing our existing senior notes and the indenture governing the notes restrict our ability to sell assets and use the proceeds from the sales. We may not be able to consummate those sales or to obtain the proceeds which we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due.

**To service our indebtedness, we will require a significant amount of cash. However, our ability to generate cash depends on many factors beyond our control.**

Our ability to make payments on, and to refinance, our indebtedness, including the notes, and to fund planned capital expenditures, will depend on our ability to generate cash in the future which, in turn, is subject to general economic, financial, competitive, regulatory and other factors, many of which are beyond our control.

Our business may not generate sufficient cash flow from operations and we may not have available to us future borrowings in an amount sufficient to enable us to pay our indebtedness, including the notes, or to fund our other liquidity needs. In these circumstances, we may need to refinance all or a portion of our indebtedness, including the

notes, on or before maturity. We may not be able to refinance any of our indebtedness, including our credit facility and the notes, on commercially reasonable terms, or at all. Without this financing, we could be forced to sell assets or secure additional financing to make up for any shortfall in our payment obligations under unfavorable circumstances. However, we may not be able to secure additional financing on terms favorable to us or at all and, in addition, the terms of our revolving credit facility and the Indenture governing the notes limit our

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ability to sell assets and also restrict the use of proceeds from such a sale. Moreover, substantially all of our assets have been pledged to secure repayment of our indebtedness under our revolving credit facility. In addition, we may not be able to sell assets quickly enough or for sufficient amounts to enable us to meet our obligations, including our obligations under the notes.

## Risks Related to the New Notes

**The new notes and the guarantees will be unsecured obligations and will be effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness and structurally subordinated to the existing and future indebtedness of any non-guarantor subsidiaries.**

The new notes and the guarantees will be general unsecured senior obligations ranking effectively junior to all of our existing and future secured indebtedness (including all borrowings under our revolving credit facility) to the extent of the value of the collateral securing such indebtedness. If we or a guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, the holders of our secured indebtedness or the secured indebtedness of such guarantor will be entitled to be paid in full from the proceeds of the assets, if any, securing such indebtedness before any payment may be made with respect to the new notes or the affected guarantees. Holders of the new notes will participate ratably in any remaining proceeds with all holders of our unsecured indebtedness, including unsecured indebtedness incurred after the new notes are issued that does not rank junior to the new notes, including trade payables and all of our other general indebtedness, based on the respective amounts owed to each holder or creditor. In any of the foregoing events, there may not be sufficient funds to pay amounts due on the new notes. As a result, holders of the new notes would likely receive less, ratably, than holders of secured indebtedness.

As of September 30, 2015, we had total consolidated long-term debt of approximately $3.7 billion, excluding approximately $281 million of secured letters of credit, and no subordinated indebtedness and we would have been able to incur up to approximately $774 million of additional indebtedness under our credit facility.

The new notes will also be structurally subordinated to any indebtedness and other liabilities of any subsidiaries that do not guarantee the new notes. Under certain circumstances, the indenture governing the new notes will permit us to form or acquire additional subsidiaries that are not guarantors of the new notes. Holders of the new notes will have no claim as a creditor against any of our non-guarantor subsidiaries. See Description of New Notes Ranking.

**We and the guarantors may incur substantial additional indebtedness. This could increase the risks associated with the new notes.**

Subject to the restrictions in the indenture governing the new notes and in other instruments governing our other outstanding indebtedness (including our revolving credit facility), we and our subsidiaries may incur substantial additional indebtedness (including secured indebtedness) in the future. Although the indenture governing the new notes and our revolving credit facility contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to waiver and a number of significant qualifications and exceptions, and indebtedness incurred in compliance with these restrictions could be substantial.

If we or a guarantor incurs any additional indebtedness that ranks equally with the new notes (or with the guarantees thereof), including additional unsecured indebtedness or trade payables, the holders of that indebtedness will be entitled to share ratably with holders of the new notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us or a guarantor. This may have the effect of reducing the amount of proceeds paid to holders of the new notes in connection with such a distribution.

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Any increase in our level of indebtedness will have several important effects on our future operations, including, without limitation, whether:

- we will have additional cash requirements in order to support the payment of interest on our outstanding indebtedness;
- increases in our outstanding indebtedness and leverage will increase our vulnerability to adverse changes in general economic and industry conditions, as well as to competitive pressure; and
- depending on the levels of our outstanding indebtedness, our ability to obtain additional financing for working capital, capital expenditures, general corporate and other purposes may be limited.

**We cannot assure you that we will be able to maintain or improve our leverage position.**

An element of our business strategy involves maintaining a disciplined approach to financial management. However, we are also seeking to acquire, exploit and develop additional reserves which may require the incurrence of additional indebtedness. Although we will seek to maintain or improve our leverage position, our ability to maintain or reduce our level of indebtedness depends on a variety of factors, including future performance and our future debt financing needs. General economic conditions, coal, NGL and natural gas prices and financial, business and other factors will also affect our ability to maintain or improve our leverage position. Many of these factors are beyond our control.

Our revolving credit facility and the indentures governing our existing senior notes, including the indenture that will govern notes, have restrictive covenants that could limit our financial flexibility. These restrictive covenants limit our ability to engage in activities that may be in our long-term best interests. Our ability to borrow under our revolving credit facility is subject to compliance with certain financial covenants, including the maintenance of certain financial ratios, including a minimum current ratio, a maximum leverage ratio and a minimum interest coverage ratio. Our revolving credit facility and the indentures governing our existing senior notes contain covenants, that, among other things, limit our ability and the ability of our restricted subsidiaries to:

- incur additional indebtedness;
- sell assets;
- pay dividends or make certain investments;
- create liens that secure indebtedness;
- enter into transactions with affiliates;

merge or consolidate with another company; and

redeem or prepay other debt.

See Description of New Notes Certain Covenants. Our failure to comply with these covenants could result in an event of default that, if not cured or waived, could result in the acceleration of all of our indebtedness. We would not have sufficient working capital to satisfy our debt obligations in the event of an acceleration of all or a significant portion of our outstanding indebtedness.

**We may not be able to generate sufficient cash to service all of our indebtedness, including the new notes, and may be forced to take other actions to satisfy the obligations under our indebtedness, which may not be successful.**

We expect our earnings and cash flow to vary significantly from year to year due to the nature of our industry. As a result, the amount of debt that we can manage in some periods may not be appropriate for us in other periods. Additionally, our future cash flow may be insufficient to meet our debt obligations and other commitments. Any insufficiency could negatively impact our business. A range of economic, competitive,

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business and industry factors will affect our future financial performance, and, as a result, our ability to generate cash flow from operations and to pay our debt obligations. Many of these factors, such as coal, natural gas and NGL prices, economic and financial conditions in our industry and the global economy and initiatives of our competitors, are beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the new notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay planned investments and capital expenditures, or to sell assets, seek additional financing in the debt or equity markets or restructure or refinance our indebtedness, including the new notes. Our ability to restructure or refinance our indebtedness will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of our existing or future debt instruments and the indenture governing the new notes may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our revolving credit facility and the indenture that will govern the new notes restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds that we could have realized from them and any proceeds may not be adequate to meet any debt service obligations then due. These alternative measures may not be successful and may not permit us to meet our debt service obligations.

**If we are unable to comply with the restrictions and covenants in the agreements governing the new notes and our other indebtedness, there could be a default under the terms of these agreements, which could result in an acceleration of payment of funds that we have borrowed and would affect our ability to make principal and interest payments on the new notes.**

Any default under the agreements governing our indebtedness that is not cured or waived by the required lenders, and the remedies sought by the holders of any such indebtedness, could make us unable to pay principal, and interest, or special interest, if any, on the new notes and substantially decrease the market value of the new notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest, or special interest, if any, on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the agreements governing our indebtedness (including covenants in our revolving credit facility and the indenture governing the new notes), we could be in default under the terms of the agreements governing such indebtedness. In the event of such default:

- the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest;
- the lenders under our revolving credit facility could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets; and
- we could be forced into bankruptcy or liquidation.

If our operating performance declines, we may in the future need to obtain waivers under our revolving credit facility to avoid being in default. If we breach our covenants under our revolving credit facility and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under the facilities, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

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**We may not be able to repurchase the new notes upon a change of control.**

If we experience certain kinds of changes of control, we may be required to offer to repurchase all outstanding new notes at 101% of their principal amount plus accrued and unpaid interest, if any. The indentures governing our existing senior notes have substantially the same requirement. We may not be able to repurchase the new notes upon a change of control because we may not have sufficient financial resources to purchase all of the existing senior notes that are tendered following a change of control. In addition, the terms of our revolving credit facility or other outstanding indebtedness may prohibit us from repurchasing any series of notes upon a change of control. Our failure to repurchase our existing senior notes upon a change of control could cause a default under the relevant indentures governing such notes and could lead to a cross default under our revolving credit facility. Additionally, using cash to fund the potential consequences of a change of control may impair our ability to obtain additional financing in the future, which could negatively impact our ability to conduct our business operations. See Description of New Notes Change of Control.

**Federal and state statutes allow courts, under specific circumstances, to void guarantees and require noteholders to return payments received from guarantors.**

Federal bankruptcy and state fraudulent transfer laws permit a court to avoid all or a portion of the obligations of a guarantor pursuant to its guarantee of the notes, or to subordinate any guarantor s obligations under such guarantee to claims of its other creditors, reducing or eliminating the noteholders ability to recover under such guarantee. Although laws differ among these jurisdictions, in general, under applicable fraudulent transfer or conveyance laws, a guarantee could be voided as a fraudulent transfer or conveyance if (i) the guarantee was incurred with the intent of hindering, delaying or defrauding creditors; or (ii) the guarantor received less than reasonably equivalent value or fair consideration in return for incurring the guarantee and any of:

- the guarantor was insolvent or rendered insolvent by reason of the incurrence of the guarantee or subsequently became insolvent for other reasons;
- the incurrence of the guarantee left the guarantor with an unreasonably small amount of capital to carry on the business; or
- the guarantor intended to, or believed that it would, incur debts beyond its ability to pay such debts as they mature.

A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its guarantee if the guarantor did not substantially benefit directly or indirectly from the issuance of the notes. If a court were to void a guarantee, you would no longer have a claim against the guarantor. Sufficient funds to repay the notes may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from the guarantor. The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the governing law of the applicable jurisdiction. Generally, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they became absolute and mature; or

it could not pay its debts as they became due.

Each guarantee will contain a provision intended to limit the guarantor s liability under the guarantee to the maximum amount that the guarantor could incur without causing the incurrence of obligations under its guarantee to be deemed a fraudulent transfer. This provision may not be effective to protect the guarantees from being voided under fraudulent transfer law.

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**An active trading market may not develop for the new notes.**

The new notes are a new issue of securities. There is no active public trading market for the new notes. We do not intend to apply for listing of the notes on a security exchange. The liquidity of the trading market in the notes and the market prices quoted for the notes may be adversely affected by changes in the overall market for this type of securities and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. As a consequence, an active trading market may not develop for the notes, you may not be able to sell the notes, or, even if you can sell the notes, you may not be able to sell them at an acceptable price.

**We are a holding company and will rely on our subsidiaries for funds necessary to meet our financial obligations, including the notes.**

We conduct all of our activities through our subsidiaries. We depend on those subsidiaries for dividends and other payments to generate the funds necessary to meet our financial obligations, including the payment of principal and interest on the notes. The ability of our subsidiaries to make payments to us may be restricted by, among other things, their credit facilities and applicable state corporation or similar statutes and other laws and regulations. Currently, there are no significant restrictions on our ability or the ability of any guarantor subsidiary to obtain funds from its subsidiaries by such means as a dividend or loan. We cannot assure you that the earnings from, or other available assets of, our subsidiaries will be sufficient to enable us to pay principal or interest on the notes when due.

The indenture for the notes permits us to distribute our oil and natural gas or our coal business to our shareholders. If we choose to effect a spinoff of our oil and natural gas business, we will be replaced as obligor on the notes by the subsidiary that holds our oil and natural gas assets and is distributed to our shareholders. In either event, a spinoff will leave the holders of the notes would have a smaller amount of consolidated assets and reduced cash flow supporting the repayment of the notes.

The indenture for the notes permits us to spinoff, by way of a stock dividend, a majority of the voting securities of a subsidiary that holds all or substantially all of our oil and natural gas properties or our coal reserves and related assets, subject only to compliance with a leverage test and provided that no default or event of default has occurred or would result from such dividend. If we elect to distribute to our shareholders the voting stock of our subsidiary that holds our oil and natural gas properties as opposed to our coal properties, then that subsidiary will replace us as obligor on the notes and we will have no further liability with respect to the notes or the guarantees. See Description of New Notes Certain Definitions Qualified Spin Transaction. As a result of any such spinoff transaction, the holders of the notes would have a smaller amount of consolidated assets and reduced cash flow supporting repayment of their notes.

**Many of the covenants contained in the indenture will be terminated if the notes are rated investment grade by either of Standard & Poor s or Moody s and no default has occurred and is continuing, but there are no assurances that the notes will ever be rated investment grade.**

Many of the covenants in the indenture governing the notes will be terminated if the notes are rated investment grade by Standard & Poor s or Moody s, provided at such time no default or event of default has occurred and is continuing. These covenants include restrictions on our ability to pay dividends, to incur debt and to enter into certain transactions. There can be no assurance that the notes will ever be rated investment grade. See Description of New Notes Certain covenants Changes in Covenants When Notes Rated Investment Grade.

**We face risks related to rating agency downgrades.**

We expect one or more rating agencies to rate the notes. If such rating agencies either assign the notes a rating lower than the rating expected by the investors, or reduce the rating in the future, the market price of the notes may be adversely affected, raising capital may become more difficult and borrowing costs under our revolving credit facility and other future borrowings may increase.

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## USE OF PROCEEDS

This exchange offer is intended to satisfy our obligations under the registration rights agreement we entered into with the initial purchasers of our old notes in connection with the initial offer and sale thereof. We will not receive any cash proceeds from the issuance of the new notes in the exchange offer. In consideration for issuing the new notes as contemplated in this prospectus, we will receive the old notes in a like principal amount. The terms of the new notes are substantially identical to the terms of the old notes, except that the new notes will be registered under the Securities Act and the transfer restrictions, registration rights and provisions for additional interest relating to the old notes do not apply to the new notes. Old notes surrendered in exchange for the new notes will be retired and cancelled and will not be reissued. Accordingly, the issuance of the new notes will not result in any change in our outstanding indebtedness.

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## RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to combined fixed charges for the periods indicated on a consolidated historical basis. For purposes of computing the ratio of earnings to fixed charges, earnings are defined as income before taxes plus fixed charges less capitalized interest. Fixed charges consist of interest expensed and capitalized and an estimate of interest within rent expense.

| (Dollars in thousands) | Nine Months Ended September 30, 2015 | Twelve Months Ended December 31, 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|
| **Earnings:** | | | | | | |
| Income from continuing operations before income taxes | $ (658,190) | $ 183,124 | $ 46,075 | $ 406,687 | $ 872,926 | $ 430,958 |
| Fixed charges, as shown below | 178,229 | 279,163 | 292,958 | 285,784 | 289,123 | 240,177 |
| Amortization of capitalized interest | 6,770 | 8,278 | 6,520 | 4,978 | 6,595 | 5,836 |
| Equity in income of investees, net of distributions | (13,094) | (39,821) | (20,095) | (11,548) | (17,463) | (7,996) |
| Interest capitalized | (1,767) | (13,573) | (43,717) | (38,054) | (15,547) | (13,393) |
| Noncontrolling Interest | | | 1,386 | 397 | | |
| Adjusted Earnings | $ (488,052) | $ 417,171 | $ 283,127 | $ 648,244 | $ 1,135,634 | $ 655,582 |
| **Fixed charges:** | | | | | | |
| Interest on indebtedness, expensed or capitalized | $ 151,954 | $ 237,137 | $ 262,915 | $ 258,096 | $ 263,891 | $ 218,425 |
| Interest within rent expense | 26,275 | 42,026 | 30,043 | 27,688 | 25,232 | 21,752 |
| Total Fixed Charges | $ 178,229 | $ 279,163 | $ 292,958 | $ 285,784 | $ 289,123 | $ 240,177 |
| Ratio of Earnings to Fixed Charges(1) | (2.74) | 1.49 | 0.97 | 2.27 | 3.93 | 2.73 |

(1) For the nine months ended September 30, 2015, our earnings would have needed to have been higher by $667 million for our ratio of earnings to fixed charges to be 1.00.

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## SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table presents our selected historical consolidated financial data for, and as of the end of, each of the periods indicated. The summary historical consolidated financial data set forth below as of December 31, 2014 and 2013 and for each of the years ended December 31, 2014, 2013 and 2012 have been derived from our audited consolidated financial statements, which are incorporated by reference in this prospectus.

In December 2013, we completed the sale of our Consolidation Coal Company (CCC) subsidiary, which includes all five of its longwall coal mines in West Virginia, to a subsidiary of Murray Energy. For all periods presented in the following summary historical consolidated financial data, the sale of CCC was classified as discontinued operations. There were no other active businesses classified as discontinued operations in the three-year period ended December 31, 2013. Certain reclassifications of prior year data, including reclassifications to report discontinued operations for each relevant period, have been made to conform to the year ended December 31, 2013 presentation.

The selected historical consolidated financial data are not necessarily indicative of the results that may be expected for any future period. You should read the summary historical financial data together with Management s Discussion and Analysis of Financial Condition and Results of Operations incorporated by reference into this prospectus from our Annual Report on Form 10-K for the year ended December 31, 2014 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2015, June 30, 2015 and September 30, 2015.

| | **(Unaudited)** | | | | | | |
|---|---|---|---|---|---|---|---|
| (Dollars in thousands, Except per share data) | **For the Nine Months Ended September 30,** | | **For the Years Ended December 31,** | | | | |
| | **2015** | **2014** | **2014** | **2013** | **2012** | **2011** | **2010** |
| Operating revenues from Continuing Operations | $ 2,185,465 | $ 2,612,709 | $ 3,476,100 | $ 3,120,722 | $ 3,282,350 | $ 4,237,913 | $ 3,559,511 |
| Income (Loss) from Continuing Operations | $ (398,801) | $ 95,111 | $ 168,777 | $ 79,264 | $ 317,959 | $ 681,675 | $ 315,240 |
| Net Income Attributable to CONSOL Energy Inc. Shareholders | $ (405,291) | $ 89,424 | $ 163,090 | $ 660,442 | $ 388,470 | $ 632,497 | $ 346,781 |
| Earnings (Loss) per share: | | | | | | | |
| Basic: | | | | | | | |
| Income from Continuing Operations | $ (1.77) | $ 0.41 | $ 0.73 | $ 0.35 | $ 1.40 | $ 3.01 | $ 1.41 |
| Income from Discontinued Operations | | (0.02) | (0.02) | 2.54 | 0.31 | (0.22) | 0.20 |
| Net Income | $ (1.77) | $ 0.39 | $ 0.71 | $ 2.89 | $ 1.71 | $ 2.79 | $ 1.61 |
| Dilutive: | | | | | | | |
| Income from Continuing Operations | $ (1.77) | $ 0.41 | $ 0.73 | $ 0.35 | $ 1.39 | $ 2.98 | $ 1.40 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Income from Discontinued Operations | | (0.02) | (0.03) | 2.52 | 0.31 | (0.22) | 0.20 |
| Net Income | $ (1.77) | $ 0.39 | $ 0.70 | $ 2.87 | $ 1.70 | $ 2.76 | $ 1.60 |
| Assets from Continuing Operations | $ 11,185,366 | $ 11,718,935 | $ 11,759,530 | $ 11,393,667 | $ 10,383,343 | $ 9,952,077 | $ 9,543,457 |
| Assets from Discontinued Operations | | | | | 2,614,251 | 2,573,623 | 2,527,153 |
| Total assets | $ 11,185,366 | $ 11,718,935 | $ 11,759,530 | $ 11,393,667 | $ 12,997,594 | $ 12,525,700 | $ 12,070,610 |
| Long-term debt from Continuing Operations (including current portion) | $ 2,789,091 | $ 3,291,547 | $ 3,288,894 | $ 3,175,014 | $ 3,185,497 | $ 3,196,455 | $ 3,209,101 |
| Long-term debt from Discontinued Operations (including current portion) | $ | | | | 2,574 | 1,659 | 1,820 |
| Total Long-term debt (including current portion) | $ 2,789,091 | $ 3,291,547 | $ 3,288,894 | $ 3,175,014 | $ 3,188,071 | $ 3,198,114 | $ 3,210,921 |
| Cash dividends declared per share of common stock | $ 0.1350 | $ 0.1875 | $ 0.250 | $ 0.375 | $ 0.625 | $ 0.425 | $ 0.400 |

See Risk Factors beginning on page 8 for a discussion of an adjustment to operating revenues for all periods and other matters that affect the comparability of the selected financial data as well as uncertainties that might affect the Company s future financial condition.

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## EXCHANGE OFFER

We sold the old notes on March 30, 2015 pursuant to that certain purchase agreement, dated as of March 25, 2015, by and among CONSOL Energy Inc., the subsidiary guarantors party thereto, and Goldman, Sachs & Co., as representative of the several initial purchasers named therein. The old notes were subsequently offered by the initial purchasers to qualified institutional buyers pursuant to Rule 144A and to non-U.S. persons pursuant to Regulation S.

### Purpose of the Exchange Offer

We sold the old notes in transactions that were exempt from or not subject to the registration requirements under the Securities Act. Accordingly, the old notes are subject to transfer restrictions. In general, you may not offer or sell the old notes unless either they are registered under the Securities Act or such offer or sale is exempt from, or not subject to, registration under the Securities Act and applicable state securities laws.

In connection with the sale of the old notes, we entered into a registration rights agreement with the initial purchasers of the old notes. In that agreement, we agreed to use our commercially reasonable efforts to file a registration statement and effect an exchange offer thereunder after the closing date following the offering of the old notes. To satisfy our obligations under the registration rights agreement, we are offering certain holders of the old notes (those who are able to make certain representations described below under Procedures for Tendering Your Representations to Us ), the opportunity to exchange their old notes for the new notes in the exchange offer. The exchange offer will be open for a period of at least 20 full business days. During the exchange offer period, we will exchange the new notes for all old notes properly surrendered and not withdrawn before the expiration date. The new notes will be registered under the Securities Act, and the transfer restrictions, registration rights and provisions for additional interest relating to the old notes will not apply to the new notes.

On March 30, 2015, we issued $500 million aggregate principal amount of old notes under the indenture pursuant to Rule 144 and Regulation S in an offering that was not registered under the Securities Act. In connection with the issuance and sale of the old notes, we entered into a registration rights agreement with the initial purchasers of the old notes. Under the registration rights agreement, we agreed to file a registration statement regarding the exchange of the old notes for new notes which are registered under the Securities Act. We also agreed to use our commercially reasonable efforts to cause the registration statement to become effective with the SEC and to conduct this exchange offer after the registration statement is declared effective. The form and terms of the new notes are substantially identical to the old notes except that the issuance of the new notes has been registered under the Securities Act and the transfer restrictions, registration rights and certain additional interest provisions relating to the old notes do not apply to the new notes. Under the registration rights agreement, we may be required to make additional payments in the form of additional interest to the holders of the old notes under circumstances relating to the timing of the exchange offer. The registration rights agreement provides that we will be required to pay additional interest to the holders of the old notes if the exchange offer is not consummated by May 3, 2016 or a shelf registration statement is required to be filed under the registration rights agreement but has not been declared effective on or prior to date required by the registration rights agreement.

The registration rights agreement is filed as an exhibit to the registration statement of which this prospectus forms a part. This summary of certain provisions of the registration rights agreement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the registration rights agreement, a copy of which may be obtained as described under Where You Can Find More Information.

### Resale of New Notes

Based on no-action letters of the staff of the SEC issued to third parties, we believe that new notes may be offered for resale, resold and otherwise transferred by you without further compliance with the registration and prospectus delivery provisions of the Securities Act if:

you are not an affiliate of ours within the meaning of Rule 405 under the Securities Act;

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such new notes are acquired in the ordinary course of your business; and

you do not intend to participate in a distribution of the new notes.

The staff of the SEC, however, has not considered the exchange offer for the new notes in the context of a no-action letter, and the staff of the SEC may not make a similar determination as in the no-action letters issued to these third parties.

If you tender in the exchange offer with the intention of participating in any manner in a distribution of the new notes, you:

cannot rely on such interpretations by the staff of the SEC; and

must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction.

Unless an exemption from registration is otherwise available, any securityholder intending to distribute new notes should be covered by an effective registration statement under the Securities Act. The registration statement should contain the selling securityholder s information required by Item 507 or 508, as applicable, of Regulation S-K under the Securities Act.

This prospectus may be used for an offer to resell, resale or other transfer of new notes only as specifically described in this prospectus. If you are a broker-dealer, you may participate in the exchange offer only if you acquired the old notes as a result of market-making activities or other trading activities. Each broker-dealer that receives new notes for its own account in exchange for old notes, where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge by way of the letter of transmittal that it will deliver this prospectus in connection with any resale of the new notes. Please read the section captioned Plan of Distribution for more details regarding the transfer of new notes.

**Terms of the Exchange Offer**

Subject to the terms and conditions described in this prospectus and in the letter of transmittal, we will accept for exchange any old notes properly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the expiration date. We will issue new notes in principal amount equal to the principal amount of old notes surrendered in the exchange offer. Old notes may be tendered only for new notes and only in denominations of $2,000 and integral multiples of $1,000 in excess thereof. We will deliver the new notes promptly after the expiration date.

The exchange offer is not conditioned upon any minimum aggregate principal amount of old notes being tendered in the exchange offer.

As of the date of this prospectus, $500 million aggregate principal amount of 8.000% Senior Notes due 2023 representing old notes is outstanding. This prospectus and letter of transmittal is being sent to DTC, the sole registered holder of the old notes, and to all persons that we can identify as beneficial owners of the old notes. There will be no fixed record date for determining registered holders of old notes entitled to participate in the exchange offer.

We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement, the applicable requirements of the Securities Act and the Exchange Act, and the rules and regulations of the SEC. Old notes whose holders do not tender for exchange in the exchange offer will remain outstanding and continue to accrue interest. These old notes will be entitled to the rights and benefits such holders have under the indenture relating to the notes and the registration rights agreement.

We will be deemed to have accepted for exchange properly tendered old notes when we have given oral or written notice of the acceptance to the exchange agent and complied with the applicable provisions of the registration rights agreement. The exchange agent will act as agent for the tendering holders for the purposes of receiving the new notes from us.

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If you tender old notes in the exchange offer, you will not be required to pay brokerage commissions or fees or, subject to the letter of transmittal, transfer taxes with respect to the exchange of old notes. We will pay all charges and expenses, other than certain applicable taxes described below, in connection with the exchange offer. Please read Fees and Expenses for more details regarding fees and expenses incurred in connection with the exchange offer.

We will return any old notes that we do not accept for exchange for any reason without expense to their tendering holders promptly after the expiration or termination of the exchange offer.

**Expiration Date**

The exchange offer will expire at 5:00 p.m., New York City time, on , unless, in our sole discretion, we extend such deadline.

**Extensions, Delays in Acceptance, Termination or Amendment**

We expressly reserve the right, at any time or various times, to extend the period of time during which the exchange offer is open. We may delay acceptance of any old notes by giving oral (promptly followed in writing) or written notice of such extension to their holders at any time until the exchange offer expires or terminates. During any such extensions, all old notes previously tendered will remain subject to the exchange offer, and we may accept them for exchange.

To extend the exchange offer, we will notify the exchange agent orally or in writing of any extension. We will notify the holders of old notes of the extension via a press release issued no later than 9:00 a.m., New York City time, on the business day after the previously scheduled expiration date.

If any of the conditions described below under Conditions to the Exchange Offer have not been satisfied, we reserve the right, in our sole discretion

- to extend the exchange offer,
- to delay accepting for exchange any old notes, or
- to terminate the exchange offer,

by giving oral (promptly followed in writing) or written notice of such delay, extension or termination to the exchange agent. Subject to the terms of the registration rights agreement, we also reserve the right to amend the terms of the exchange offer in any manner.

Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral (promptly followed in writing) or written notice thereof to holders of the old notes. Any notice relating to the extension of the exchange offer will disclose the number of securities tendered as of the date of the notice, as required by Rule 14e-1(d) under the Exchange Act. If we amend the exchange offer in a manner that we determine to constitute a material change, we will promptly disclose such amendment by means of a prospectus supplement. The prospectus supplement will be distributed to holders of the old notes. Depending upon the significance of the amendment and the manner of disclosure to holders, we may extend the exchange offer if it would otherwise expire during such period. If

an amendment constitutes a material change to the exchange offer, including the waiver of a material condition, we will extend the exchange offer, if necessary, to remain open for at least five business days after the date of the amendment. In the event of any increase or decrease in the consideration we are offering for the old notes or in the percentage of old notes being sought by us, we will extend the exchange offer to remain open for at least 10 business days after the date we provide notice of such increase or decrease to the registered holders of old notes.

If we delay accepting any old notes or terminate the exchange offer, we will promptly pay the consideration offered, or return any old notes deposited, pursuant to the exchange offer as required by Rule 14e-1(c) under the Exchange Act.

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**Conditions to the Exchange Offer**

We will not be required to accept for exchange, or exchange any new notes for, any old notes if the exchange offer, or the making of any exchange by a holder of old notes, would violate applicable law or policy of the staff of the SEC. Similarly, we may terminate the exchange offer as provided in this prospectus before expiration of the offer in the event of such a potential violation.

We will not be obligated to accept for exchange the old notes of any holder that has not made to us the representations described under Procedures for Tendering and Plan of Distribution and such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to allow us to use an appropriate form to register the new notes under the Securities Act.

Additionally, we will not accept for exchange any old notes tendered, and will not issue new notes in exchange for any such old notes, if at such time any stop order has been threatened or is in effect with respect to the exchange offer registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939, as amended.

We expressly reserve the right to amend or terminate the exchange offer, and to reject for exchange any old notes not previously accepted for exchange, upon the occurrence of any of the conditions to the exchange offer specified above. We will give oral or written notice of any extension, amendment, non-acceptance or termination to the holders of the old notes as promptly as practicable.

These conditions are for our sole benefit, and we may assert them or waive them in whole or in part at any time or at various times prior to the expiration of the exchange offer in our sole discretion. If we fail at any time to exercise any of these rights, this failure will not mean that we have waived our rights. Each such right will be deemed an ongoing right that we may assert at any time or at various times prior to the expiration of the exchange offer.

**Procedures for Tendering**

To participate in the exchange offer, you must properly tender your old notes to the exchange agent as described below. We will only issue new notes in exchange for old notes that you timely and properly tender. Therefore, you should allow sufficient time to ensure timely delivery of the old notes, and you should follow carefully the instructions on how to tender your old notes. It is your responsibility to properly tender your old notes. We have the right to waive any defects. However, we are not required to waive defects, and neither we nor the exchange agent is required to notify you of any defects in your tender.

If you have any questions or need help in exchanging your old notes, please call the exchange agent whose address and phone number are described in the letter of transmittal included as Annex A to this prospectus and under Prospectus Summary The Exchange Offer Exchange Agent.

All of the old notes were issued in book-entry form, and all of the old notes are currently represented by global certificates registered in the name of Cede & Co., the nominee of DTC. We have confirmed with DTC that the old notes may be tendered using ATOP. The exchange agent will establish an account with DTC for purposes of the exchange offer promptly after the commencement of the exchange offer, and DTC participants may electronically transmit their acceptance of the exchange offer by causing DTC to transfer their old notes to the exchange agent using the ATOP procedures. In connection with the transfer, DTC will send an agent s message to the exchange agent. The agent s message will state that DTC has received instructions from the participant to tender old notes and that the participant agrees to be bound by the terms of the letter of transmittal.

By using the ATOP procedures to exchange old notes, you will not be required to deliver a letter of transmittal to the exchange agent. However, you will be bound by its terms just as if you had signed it.

There is no procedure for guaranteed late delivery of the old notes.

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Each broker-dealer that receives new notes for its own account in exchange for old notes, where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. Please read Plan of Distribution.

**Determinations in the Exchange Offer**

We will determine in our sole discretion all questions as to the validity, form, eligibility, time of receipt, acceptance of tendered old notes and withdrawal of tendered old notes. Our determination will be final and binding on all parties. We reserve the absolute right to reject any old notes not properly tendered or any old notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive any defect, irregularities or conditions of tender as to particular old notes. Our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. Unless waived, all defects or irregularities in connection with tenders of old notes must be cured within such time as we shall determine. Although we intend to notify holders of defects or irregularities with respect to tenders of old notes, neither we, the exchange agent nor any other person will incur any liability for failure to give such notification. Tenders of old notes will not be deemed made until such defects or irregularities have been cured or waived. Any old notes received by the exchange agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned to the tendering holder promptly upon expiration or termination of the exchange offer.

**When We Will Issue New Notes**

In all cases, we will issue new notes for old notes that we have accepted for exchange in the exchange offer only after the exchange agent receives, prior to 5:00 p.m., New York City time, on the expiration date:

a book-entry confirmation of such old notes into the exchange agent s account at DTC; and

a properly transmitted agent s message.

**Return of Old Notes Not Accepted or Exchanged**

If we do not accept any tendered old notes for exchange or if old notes are submitted for a greater principal amount than the holder desires to exchange, the unaccepted or non-exchanged old notes will be returned without expense to their tendering holder. Such non-exchanged old notes will be credited to an account maintained with DTC. These actions will occur promptly upon the expiration or termination of the exchange offer.

**Your Representations to Us**

By agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

any new notes that you receive will be acquired in the ordinary course of your business;

you have not engaged in and have no intent to engage in (nor have you entered into any arrangement or understanding with any person or entity to participate in) a distribution of the new notes in violation of the

provisions of the Securities Act;

you are not an affiliate (within the meaning of Rule 405 under the Securities Act) of CONSOL Energy Inc. or the guarantors; and

if you are a broker-dealer that will receive new notes for your own account in exchange for old notes that were acquired as a result of market-making activities or other trading activities, then you will deliver a prospectus (or to the extent permitted by law, make available a prospectus to purchasers) in connection with any resale of the new notes.

**Withdrawal of Tenders**

Except as otherwise provided in this prospectus, you may withdraw your tender at any time prior to 5:00 p.m., New York City time, on the expiration date. For a withdrawal to be effective you must comply with the

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appropriate ATOP procedures. Any notice of withdrawal must specify the name and number of the account at DTC to be credited with withdrawn old notes and otherwise comply with the ATOP procedures.

We will determine all questions as to the validity, form, eligibility and time of receipt of a notice of withdrawal. Our determination shall be final and binding on all parties. We will deem any old notes so withdrawn not to have been validly tendered for exchange for purposes of the exchange offer.

Any old notes that have been tendered for exchange but that are not exchanged for any reason will be credited to an account maintained with DTC for the old notes. This return or crediting will take place promptly upon withdrawal, rejection of tender, expiration or termination of the exchange offer. You may retender properly withdrawn old notes by following the procedures described under Procedures for Tendering above at any time on or prior to the expiration date.

**Fees and Expenses**

We will bear the expenses of soliciting tenders. The principal solicitation is being made by mail; however, we may make additional solicitation by e-mail, telephone or in person by our officers and regular employees and those of our affiliates.

We have not retained any dealer-manager in connection with the exchange offer and will not make any payments to broker-dealers or others soliciting acceptances of the exchange offer. We will, however, pay the exchange agent reasonable and customary fees for its services and reimburse it for its related reasonable out-of-pocket expenses.

We will pay the cash expenses to be incurred in connection with the exchange offer. They include SEC registration fees, fees and expenses of the exchange agent and trustee, accounting and legal fees and printing costs and related fees and expenses.

**Transfer Taxes**

We will pay all transfer taxes, if any, applicable to the exchange of old notes for new notes in the exchange offer. Each tendering holder, however, will be required to pay any transfer taxes, whether imposed on the registered holder or any other person, if a transfer tax is imposed for any reason other than the exchange of old notes for new notes in the exchange offer.

**Consequences of Failure to Exchange**

If you do not exchange your old notes for new notes in the exchange offer, the old notes you hold will remain outstanding and continue to accrue interest, but will continue to be subject to the existing restrictions on transfer. In general, you may not offer or sell the old notes except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. After the expiration of this exchange offer, we do not intend to register old notes under the Securities Act unless the registration rights agreement requires us to do so.

**Accounting Treatment**

We will record the new notes in our accounting records at the same carrying value as the old notes. This carrying value is the aggregate principal amount of the old notes, as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes in connection with the exchange offer, other than the recognition of the fees and expenses of the exchange offer as stated under Fees and

Expenses.

**Other**

Participation in the exchange offer is voluntary, and you should consider carefully whether to accept. You are urged to consult your financial and tax advisors in making your own decision on what action to take.

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We may in the future seek to acquire untendered old notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plans to acquire any old notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any untendered old notes.

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## DESCRIPTION OF OTHER INDEBTEDNESS

### Revolving Credit Facility

On April 12, 2011, we entered into a five-year, $1 billion revolving credit facility (the 2011 Revolving Credit Facility ) pursuant to an amended and restated credit agreement with certain lenders and PNC Bank, National Association as administrative agent for the lenders, which was amended by Amendment No. 1, dated as of December 5, 2013. The 2011 Revolving Credit Facility was used for general corporate purposes, including letters of credit, capital expenditures, acquisitions and working capital. The 2011 Revolving Credit Facility was secured by the assets of CONSOL Energy and certain of its subsidiaries.

Also on April 12, 2011, CNX Gas, entered into a revolving credit facility pursuant to an amended and restated credit agreement with certain lenders, with PNC Bank, National Association, acting as administrative agent (the CNX Gas Revolving Credit Facility , and together with the 2011 Revolving Credit Facility, the Prior Credit Facilities ). The CNX Gas Revolving Credit Facility provided for a revolving credit facility in an initial aggregate outstanding principal amount of up to $1.0 billion (with the ability to request an increase in the aggregate outstanding principal amount up to $1.25 billion), including borrowings and letters of credit. The borrowings under the CNX Gas Revolving Credit Facility were used by CNX Gas for general corporate purposes, including, transaction fees, letters of credit, acquisitions, capital expenditures and working capital. The obligations of CNX Gas under the CNX Gas Revolving Credit Facility were secured by the assets of CNX Gas and certain of its subsidiaries.

On June 18, 2014, the Prior Credit Facilities were refinanced in connection with the establishment by CONSOL Energy of a five-year, $2 billion revolving credit facility (the Revolving Credit Facility ) pursuant to a credit agreement with certain lenders and PNC Bank, National Association as administrative agent.

The Revolving Credit Facility was used to refinance all amounts outstanding under the Prior Credit Facilities and is now used for general corporate purposes, including letters of credit, capital expenditures, acquisitions and working capital. CONSOL Energy may borrow, prepay and reborrow amounts at any time during the term of the Revolving Credit Facility. The Revolving Credit Facility will mature on June 18, 2019. Interest on outstanding indebtedness under the Revolving Credit Facility currently accrues, at our option, at a rate based on either: (a) the highest of (i) PNC Bank, National Association s prime rate, (ii) the federal funds open rate plus 0.5%, and (iii) the daily LIBOR rate plus 1.0%, in each case, plus a margin ranging from 0.50% to 1.50% or (b) the LIBOR rate plus a margin ranging from 1.50% to 2.00%. The applicable margin added to the underlying interest rate fluctuates based on the aggregate outstanding principal under the Revolving Credit Facility with the margin increasing as the outstanding principal amount increases.

The Revolving Credit Facility contains certain covenants and restrictions that limit the ability of CONSOL Energy and certain of its subsidiaries to, among other things:

create, incur, assume or suffer to exist any indebtedness;

create or permit to exist liens on its properties;

guaranty the debt of another party except in certain circumstances;

make or pay any dividends or distributions to third parties in excess of certain amounts;

merge with or into another person, liquidate or dissolve; or acquire all or substantially all of the assets of any going concern or going line of business or acquire all or a substantial portion of another person s assets (other than when certain liquidity and other requirements are met);

make particular investments and loans;

sell, transfer, convey, assign or dispose of its assets or properties other than in the ordinary course of business and other select instances;

deal with any affiliate except on terms no less favorable to CONSOL Energy than it would otherwise receive in an arm s length transaction;

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other than CONSOL Energy, issue additional equity to any person other than CONSOL Energy or certain of its subsidiaries; and

amend its certificate of incorporation, bylaws, or other organizational documents in a manner that would be materially adverse to the lenders;

The Revolving Credit Facility imposes the following additional obligations and restrictions (with certain limited exceptions) on, among others, CONSOL Energy and certain of its subsidiaries:

*Ratios*. CONSOL Energy is obligated to maintain minimum current ratio equal to or greater than 1.00 to 1.0, as calculated in accordance with the terms and definitions determining such ratio contained in the Revolving Credit Facility. CONSOL Energy is obligated to maintain an interest coverage ratio equal to or greater than 2.50 to 1.0, as calculated in accordance with the terms and definitions determining such ratio contained in the Revolving Credit Facility.

*Defaults*. The Revolving Credit Facility also contains customary events of default, including a cross-default to certain other debt, breaches of representations and warranties, change of control events and breaches of covenants.

*Security*. The Revolving Credit Facility is secured by the assets of CONSOL Energy and substantially all of its subsidiaries.

On May 22, 2015, the Revolving Credit Facility was amended (the Amendment ) to allow for, among other things, spinoffs, or other public equity offering transactions, in regard to subsidiaries that own certain coal assets and all arrangements, actions and transactions in connection therewith. The Amendment also permits the incurrence of a term loan facility and a revolving credit facility at those subsidiaries owning certain coal assets.

**Accounts Receivables Securitization Facility**

In 2007, we and certain of our U.S. subsidiaries amended and restated our accounts receivable facility with certain financial institutions for the sale on a continuous basis of eligible trade accounts receivable. The amended facility allowed us to receive, on a revolving basis, up to $125 million. The amended facility also allowed for the issuance of letters of credit against the $125 million capacity.

In accordance with the amended facility, we were able to receive proceeds based upon total eligible accounts receivable at the previous month-end. We formed CNX Funding Corporation, a wholly owned, special purpose, bankruptcy-remote subsidiary for the sole purpose of buying and selling eligible trade receivables generated by certain of our subsidiaries. Under the amended facility, we and certain of our subsidiaries, irrevocably and without recourse, sold all of our eligible trade accounts receivable to CNX Funding Corporation. CNX Funding Corporation would then sell, on a revolving basis, an undivided percentage interest in the pool of eligible trade accounts receivable to financial institutions and their affiliates, while maintaining a subordinated interest in a portion of the trade receivables. We agreed to continue servicing the sold receivables for the financial institutions for a fee based upon market rates for similar services.

On July 7, 2015, we and certain of our subsidiaries entered into a payoff letter with the financial institutions party to the amended facility pursuant to which the amended facility was paid off in full and all lender commitments thereunder were terminated.

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**Existing Senior Notes**

Set forth in the table below are each of our series of senior notes outstanding as of the date of this prospectus (our existing senior notes ) as well as the amounts of each such series of existing senior notes outstanding as of the date indicated.

| (in thousands) | | Amount Outstanding as of September 30, 2015 |
|---|---|---|
| 8.25% senior notes due 2020 | $ | 74,470 |
| 6.375% senior notes due 2021 | $ | 20,611 |
| 5.875% senior notes due 2022(1) | $ | 1,855,840 |
| 8.000% senior notes due 2023(1) | $ | 493,213 |

(1) Amount outstanding includes amortization of bond premium.

Each series of our existing senior notes is guaranteed by certain of our subsidiaries. Interest on each series of our existing senior notes is payable semi-annually in arrears.

**Optional Redemption**

Each series of our existing senior notes is redeemable at any time prior to certain dates specified in the indenture governing such series notes, at a price equal to 100% of the principal amount thereof, plus a make-whole premium and accrued and unpaid interest, if any, to the applicable redemption date.

In addition, on or after certain dates specified in the indenture governing each series of our existing senior notes, the applicable series of existing senior notes are redeemable in whole or in part, at fixed redemption prices plus accrued and unpaid interest, if any, to the redemption date.

Further, we may redeem up to 35% of each of series of our existing senior notes in an amount equal to the net cash proceeds we receive from certain qualified equity offerings if such redemption takes place prior to a date specified in the indenture governing such series of notes.

**Change of Control and Covenants**

Upon a change of control, each noteholder of our existing senior notes will be entitled to require us to purchase all or a portion of its notes at a purchase price of 101% plus accrued and unpaid interest, if any. In addition, our existing senior notes contain various covenants that limit, among other things, our ability, and the ability of certain of our subsidiaries, to:

- incur additional indebtedness;
- pay distributions on, or repurchase or redeem our equity interests;

make certain investments;

incur liens;

enter into certain types of transactions with affiliates; and

sell assets or consolidate or merge with or into other companies.

If the existing senior notes achieve investment grade ratings by both Moody s and Standard & Poor s and no default or event of default has occurred and is continuing, we will no longer be subject to many of the foregoing covenants. At September 30, 2015, we were in compliance with these covenants.

**MEDCO Bonds**

As of September 30, 2015, we had approximately $103 million outstanding of our Maryland Economic Development Corporation Port Facilities Refunding Revenue Bonds (MEDCO) 5.75% revenue bonds due September 2025.

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## DESCRIPTION OF NEW NOTES

We are offering to exchange up to $500 million aggregate principal amount of our new 8.000% Senior Notes due 2023, which have been registered under the Securities Act, referred to in this prospectus as the new notes, for any and all of our outstanding unregistered 8.000% Senior Notes due 2023, referred to in this prospectus as the old notes. We issued $500 million aggregate principal amount of old notes on March 30, 2015 in a transaction exempt from registration under the Securities Act. We are offering new notes to the holders of the old notes in exchange for such notes in order to satisfy our registration obligations under the registration rights agreement that we entered into in connection with the issuance of the old notes.

The new notes will be treated as a single class with any old notes that remain outstanding after the completion of the exchange offer. The new notes will be issued, and the old notes are currently outstanding, under an indenture dated as of March 30, 2015 (the Indenture ), among the Company, the Guarantors (as defined below) and Wells Fargo Bank National Association, as trustee (the Trustee ), as supplemented and amended. You can find the definition of various terms used in this Description of New Notes under Certain Definitions below.

This Description of New Notes is intended to be a useful overview of the material provisions of the new notes, the guarantees and the Indenture. Since this Description of New Notes is only a summary, you should refer to the Indenture which is filed as an exhibit to the registration statement of which this prospectus is a part for a complete description of our obligations and your rights under the Indenture.

In this description, the terms Company, we, us and our refer only to CONSOL Energy Inc., the issuer of the new no offered hereby, and not to any of its subsidiaries; *provided* that following an E&P Spin Transaction constituting a Qualified Spin Transaction, Company shall refer to the Person designated by CONSOL Energy Inc. as provided in the definition of Qualified Spin Transaction. The term Notes in this section of the prospectus includes the old notes issued on March 30, 2015 as well as the new notes, unless the context otherwise requires.

If the exchange offer is consummated, Holders of old notes who do not exchange their old notes for new notes will vote together with the Holders of the new notes for all relevant purposes under the Indenture. In that regard, the Indenture requires that certain actions by the Holders under the Indenture (including acceleration after an Event of Default as defined in Defaults below) must be taken, and certain rights must be exercised, by Holders of specified minimum percentages of the aggregate principal amount of all outstanding Notes issued under the Indenture. In determining whether Holders of the requisite percentage in aggregate principal amount of Notes have given any notice, consent or waiver or taken any other action permitted or required under the Indenture, any old notes that remain outstanding after the exchange offer will be aggregated with the new notes, and the Holders of these old notes and the new notes will vote together as a single class for all such purposes. Accordingly, all references in this Description of New Notes to specified percentages in aggregate principal amount of the outstanding Notes mean, at any time after the exchange offer for the old notes is consummated, such percentage in aggregate principal amount of such old notes and the new notes then outstanding.

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture.

### General

Principal of and interest on the Notes will be payable, and the Notes may be exchanged or transferred, at our office or agency in the City and State of New York (which initially shall be the corporate trust office of the Trustee), except that, at our option, payment of interest may be made by check mailed to the address of the Holders as such address

appears in the note register.

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The Notes will be issued only in fully registered form, without coupons, in denominations of $2,000 and any integral multiple of $1,000 in excess thereof. No service charge shall be made for any registration of transfer or exchange of Notes, but we may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

Subject to the covenants described below under Certain Covenants, the Company may issue additional Notes under the Indenture in unlimited principal amounts (any Notes so issued, Additional Notes ). The Notes and any Additional Notes subsequently issued under the Indenture would be treated as a single class for all purposes under the Indenture, in each case including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the Indenture and this Description of New Notes, references to the Notes include any Additional Notes actually issued.

**Terms of the Notes**

The $500 million aggregate principal amount of new notes offered hereby will be unsecured senior obligations of the Company. The Notes will mature on April 1, 2023 and bear interest at the rate per annum shown on the cover page of the prospectus from the date of original issuance, or from the most recent date to which interest has been paid or provided for, payable semiannually to Holders of record at the close of business on the March 15 or September 15 immediately preceding the interest payment date on April 1 and October 1 of each year, beginning April 1, 2015. If a payment date falls on a day that is not a Business Day, the payment made on such payment date will be made on the next succeeding Business Day with the same force and effect as if made on such payment date, and no additional interest will accrue, or default will occur, as a result of such delayed payment. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.

**Optional Redemption**

Except as set forth in the following two paragraphs or the last paragraph under the caption Change of Control, the Notes will not be redeemable at the option of the Company prior to April 1, 2018. Thereafter, the Notes will be redeemable, at our option, in whole or in part, at any time or from time to time, upon prior notice as described below under Selection and Notice, given by first class mail to each Holder s registered address (or sent electronically if The Depository Trust Company ( DTC ) is the recipient), at the following redemption prices (expressed in percentages of principal amount), plus accrued and unpaid interest to, but not including, the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on April 15 of the years set forth below:

| Year | Percentage |
|---|---|
| 2018 | 106.000% |
| 2019 | 104.000% |
| 2020 | 102.000% |
| 2021 and thereafter | 100.000% |

Prior to April 1, 2018, we may at our option on one or more occasions redeem the Notes (which includes Additional Notes, if any) in an aggregate principal amount not to exceed 35% of the aggregate principal amount of the Notes (which includes Additional Notes, if any) originally issued at a redemption price (expressed as a percentage of principal amount) of 108.000%, plus accrued and unpaid interest to, but not including, the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), with an amount of cash equal to the Net Cash Proceeds from one or more Stock Offerings; *provided* that at least 65%

of the aggregate principal amount of Notes issued on the Issue Date (including, for the avoidance of doubt, outstanding old notes) remains outstanding immediately after the occurrence of each such redemption (excluding Notes held by the Company or its Subsidiaries) and each such redemption occurs within 180 days after the date of consummation of such Stock Offerings.

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In addition, at any time and from time to time prior to April 1, 2018, upon prior notice as described below under Selection and Notice, given by first class mail to each Holder s registered address (or sent electronically if DTC is the recipient), the Company may redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus the Applicable Premium, plus accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

**Selection and Notice**

In the case of any partial redemption, selection of the Notes for redemption will be made by the Trustee on a *pro rata* basis (or, in the case of Notes issued in global form as discussed under the caption Book-Entry, Delivery and Form, based on such method as DTC or its nominee or successor may require or, where such nominee or successor is the Trustee, such method that most nearly approximates *pro rata* selection as the Trustee deems fair and appropriate, unless otherwise required by law).

No Note of $2,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail (or sent electronically if DTC is the recipient) at least 30 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address, except that redemption notices may be sent more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture. Notices of redemption may be subject to one or more conditions specified in the notice of redemption.

If any Note is to be redeemed in part only, the notice of redemption relating to such Note shall state the portion of the principal amount thereof to be redeemed. A new note in principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the old note. Notes called for redemption without condition become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption, unless the Company has defaulted in the payment of the redemption price.

**Mandatory Redemption; Offers to Purchase; Open Market Purchases**

We are not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, we may be required to offer to purchase Notes as described under the captions Change of Control and Certain Covenants Limitation on Sales of Assets and Subsidiary Stock. We may at any time and from time to time acquire Notes by means other than a redemption, whether pursuant to a tender offer, open market purchase or otherwise.

**Guarantees**

The Subsidiary Guarantors, jointly and severally, as primary obligors and not merely as sureties, will irrevocably, fully and unconditionally Guarantee (each, a Subsidiary Guarantee ) on a senior basis the performance and the punctual payment when due, whether at Stated Maturity, by acceleration or otherwise, all of the obligations of the Company under the Indenture and the Notes. The Company derives a substantial portion of its operating income and cash flow from its Subsidiaries, including the Subsidiary Guarantors.

Each Subsidiary Guarantee will be limited in amount to an amount not to exceed the maximum amount that can be Guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or

similar laws affecting the rights of creditors generally. If a Subsidiary Guarantee were to be rendered voidable, it could be subordinated by a court to all other Indebtedness (including Guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor, and depending on the amount of such Indebtedness, a Subsidiary Guarantor s liability on its Subsidiary Guarantee could be reduced to zero. See Risk factors Risks

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Related to the New Notes Federal and state statutes allow courts, under specific circumstances, to void guarantees and require noteholders to return payments received from guarantors.

Pursuant to the Indenture, a Subsidiary Guarantor may consolidate with, merge with or into, or transfer all or substantially all its assets to any other Person to the extent described below under Certain Covenants Merger and Consolidation ; *provided* that if such Person is not the Company or another Subsidiary Guarantor, the Subsidiary Guarantor s obligations under the Indenture and its Subsidiary Guarantee must be expressly assumed by such other Person, unless such Subsidiary Guarantee is released as described in the next paragraph.

The Subsidiary Guarantee of a Subsidiary Guarantor will be released automatically and unconditionally:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, if the sale or other disposition does not violate the covenant described under the caption Certain Covenants Limitation on Sales of Assets and Subsidiary Stock ;

(2) in connection with any sale or other disposition of such amount of Capital Stock of that Subsidiary Guarantor to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary of the Company, including a disposition in connection with a Qualified Spin Transaction, if such sale or other disposition does not violate the covenant described under the caption Certain Covenants Limitation on Sales of Assets and Subsidiary Stock, and the Subsidiary Guarantor ceases to be a Restricted Subsidiary of the Company as a result thereof;

(3) if the Company designates that Subsidiary Guarantor as an Unrestricted Subsidiary in accordance with the covenant described below under Certain Covenants Designation of Unrestricted Subsidiaries ;

(4) upon Legal Defeasance or Covenant Defeasance as described under the caption Defeasance or upon satisfaction and discharge of the Indenture as described under caption Satisfaction and Discharge ;

(5) at such time as such Subsidiary Guarantor becomes an Immaterial Subsidiary of the Company; or

(6) as provided in the covenant described blow under Certain Covenants Future Subsidiary Guarantors.

**Ranking**

The Indebtedness evidenced by the Notes and the Subsidiary Guarantees will be unsecured, general obligations of the Company and the relevant Subsidiary Guarantor, as the case may be, senior in right of payment, as set forth in the Indenture, to the payment of any future Indebtedness of the Company or the relevant Subsidiary Guarantor, as the case may be, that is expressly subordinated in right of payment to the Notes or the Subsidiary Guarantees. The Notes and Subsidiary Guarantees will be *pari passu* in right of payment with all existing and future senior obligations of the Company or the relevant Subsidiary Guarantor, as the case may be. The Notes and Subsidiary Guarantees will be

effectively subordinated to Secured Indebtedness of the Company and the applicable Subsidiary Guarantor, to the extent of the value of the collateral securing such Indebtedness, including the obligations of the Company and such Subsidiary Guarantor under the Credit Agreement.

At September 30, 2015, we had total consolidated long-term debt of approximately $3.7 billion, excluding approximately $281 million of outstanding secured letters of credit, and no subordinated indebtedness and we would have been able to incur up to approximately $774 million of additional indebtedness under our credit facility.

Although the Indenture will contain limitations on the amount of additional Indebtedness that the Company and the Subsidiary Guarantors may incur, under certain circumstances the amount of such Indebtedness could be

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substantial and, in certain cases, such Indebtedness may be Secured Indebtedness. See Certain Covenants Limitation on Indebtedness.

The operations of the Company are currently conducted through its Subsidiaries and not all of its Subsidiaries will Guarantee the Notes.

The Notes will be structurally subordinated to all existing and future obligations, including Indebtedness, of any Restricted Subsidiaries of the Company that do not Guarantee the Notes and of any Unrestricted Subsidiaries. Claims of creditors of these Subsidiaries, including trade creditors, will generally have priority as to the assets of these Subsidiaries over the claims of the Company and the holders of the Company s Indebtedness, including the Notes. CNX Funding (a Receivables Subsidiary) will be an Unrestricted Subsidiary.

We own a 50% equity interest in CONE Gathering LLC, a Joint Venture with Noble Energy, which, in turn, indirectly owns the general partner interest in CONE Midstream Partners LP, a publicly traded master limited partnership ( MLP ) that owns and operates the gathering system for most of our Marcellus shale production. Our equity interest in this Joint Venture, and our 32.1% limited partnership interest in the MLP, had a total carrying value of approximately $184 million at September 30, 2015. Neither CONE Gathering LLC nor CONE Midstream Partners LP will qualify as our Subsidiary for purposes of the Indenture and, therefore neither will be subject to the restrictive covenants in the Indenture nor will they guarantee the Notes.

**Same Day Settlement and Payment**

The Company will make payments in respect of both principal and interest on the Notes by wire transfer of immediately available funds to the accounts specified by the Holder. The new notes are expected to be eligible to trade in DTC s Same-Day Funds Settlement System, and any permitted secondary market trading activity in any Notes will, therefore, be required by DTC to be settled in immediately available funds.

**Change of Control**

Except as provided below, upon the occurrence of any of the following events (each a Change of Control ), each Holder shall have the right to require that the Company repurchase such Holder s Notes pursuant to a cash tender offer (a Change of Control Offer ) on the terms set forth in the Indenture. In the Change of Control Offer, the Company will offer a payment in cash (the Change of Control Payment ) equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to, but not including, the date of purchase (the Change of Control Purchase Date ) (subject to the right of Holders of record on the relevant record date to receive interest on the relevant interest payment date), in accordance with the terms contemplated in the next succeeding paragraph:

(1) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the Beneficial Owner, directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company;

(2) the shareholders of the Company shall have approved any plan of liquidation or dissolution of the Company; or

(3) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company (including Equity Interests of Restricted Subsidiaries of the Company) and its Subsidiaries taken as a whole to any Person other than a Restricted Subsidiary of the Company (it being understood that a Qualified Spin Transaction shall not constitute the sale or other transfer of all or substantially all of the Company s and its Restricted Subsidiaries assets).

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Within 30 days following a Change of Control, the Company shall mail a notice to each Holder (or send electronically if DTC is the recipient) with a copy to the Trustee stating: (1) that a Change of Control has occurred and that such Holder has the right to require the Company to purchase such Holder s Notes at a purchase price in cash equal to the Change of Control Payment (subject to the right of Holders of record on the relevant record date to receive interest on the relevant interest payment date); (2) the circumstances and relevant facts regarding such Change of Control; (3) the Change of Control Purchase Date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is sent); and (4) the instructions determined by the Company, consistent with this covenant, that a Holder must follow in order to have its Notes purchased.

The Company shall comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this covenant, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this covenant by virtue of such compliance.

Promptly following the expiration of the Change of Control Offer, the Company will, to the extent lawful, accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer. Promptly after such acceptance, the Company will, on the Change of Control Purchase Date:

(1) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(2) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an officers certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

The paying agent will promptly mail to each Holder of Notes properly tendered the Change of Control Payment for such Notes (or, if all the Notes are then in global form, make such payment through the facilities of DTC), and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Purchase Date.

Notwithstanding the preceding, (i) a conversion of the Company or any of its Restricted Subsidiaries from a corporation, limited partnership, limited liability company or other form of entity to a limited liability company, corporation, limited partnership or other form of entity or (ii) an exchange of all of the outstanding Capital Stock in one form of entity for Capital Stock in another form of entity shall not constitute a Change of Control, so long as immediately following such conversion or exchange the persons (as that term is used in Sections 13(d) and 14(d) of the Exchange Act) who Beneficially Owned the Capital Stock of the Company immediately prior to such transactions continue to Beneficially Own in the aggregate more than 50% of the Voting Stock of such entity, or continue to Beneficially Own sufficient Capital Stock in such entity to elect a majority of its directors, managers, trustees or other persons serving in a similar capacity for such entity or its general partner, as applicable, and, in either case no person Beneficially Owns more than 50% of the Voting Stock of such entity or its general partner, as applicable.

The Credit Agreement contains, and agreements governing future Indebtedness of the Company may contain, prohibitions on the occurrence of certain events that would constitute a Change of Control or require such

Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Company to repurchase the Notes could cause a default under such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Company. Finally, the Company s ability to pay cash to the Holders of Notes following the occurrence of a Change of Control may be limited by the Company s then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

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The provisions under the Indenture relating to the Company s obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the consent of the Holders of a majority in outstanding principal amount of the Notes.

The Company will not be required to make an offer to purchase the Notes as a result of a Change of Control if (a) a third party makes such offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture relating to the Company s obligations to make such an offer and purchases all Notes validly tendered and not withdrawn under such an offer, (b) notice of redemption of all outstanding Notes has been given pursuant to the Indenture as described above under the caption Optional Redemption, unless and until there is a default in payment of the applicable redemption price or (c) in connection with or in contemplation of any Change of Control, the Company has made an offer to purchase (an Alternate Offer ) any and all Notes validly tendered at a cash price equal to or higher than the Change of Control Payment and has purchased all Notes properly tendered in accordance with the terms of the Alternate Offer. Notwithstanding anything to the contrary contained in the Indenture, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement or letter of intent is in place for the Change of Control at the time the Change of Control Offer is made.

In the event that, upon consummation of a Change of Control Offer or Alternate Offer, less than 10% in aggregate principal amount of the Notes (including Additional Notes, if any) that were originally issued are held by Holders other than the Company or Affiliates thereof, the Company will have the right, upon not less than 30 nor more than 60 days prior notice, given not more than 30 days following the purchase pursuant to the Change of Control Offer or Alternate Offer described above, to redeem all of the Notes that remain outstanding following such purchase at a redemption price equal to the Change of Control Payment plus, to the extent not included in the Change of Control Payment, accrued and unpaid interest, if any, on the Notes that remain outstanding, to, but not including, the date of redemption (subject to the rights of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date).

**Certain Covenants**

**Changes in Covenants When Notes Rated Investment Grade**

Beginning on the date that:

(1) the Notes have an Investment Grade Rating from either Rating Agency; and

(2) no Default or Event of Default shall have occurred and be continuing,

the covenants specifically listed under the following captions in this prospectus will no longer be applicable to the Notes:

(a) Limitation on Indebtedness ;

(b) Limitation on Restricted Payments ;

(c) Future Subsidiary Guarantees ;

(d) Limitation on Restrictions on Distributions from Restricted Subsidiaries ;

(e) Limitation on Sales of Assets and Subsidiary Stock ;

(f) Limitation on Affiliate Transactions ;

(g) clause (3) of the first paragraph under Merger and Consolidation ; and

(h) Designation of Unrestricted Subsidiaries.

There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Rating. After such covenants terminate, the Company may not designate any of its Subsidiaries as Unrestricted Subsidiaries.

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**Limitation on Indebtedness**

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, incur, assume, Guarantee or otherwise become liable, contingently or otherwise, with respect to (collectively, incur ) any Indebtedness, and the Company will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any Preferred Stock; *provided*, *however*, that the Company or a Restricted Subsidiary of the Company may incur Indebtedness, the Company may issue Disqualified Stock and any Restricted Subsidiary of the Company may issue Preferred Stock if, on the date of such incurrence and after giving effect thereto, the Consolidated Coverage Ratio equals or exceeds 2.0 to 1.0; *provided*, *further*, that the amount of Indebtedness that may be incurred and the Preferred Stock that may be issued pursuant to the foregoing by Restricted Subsidiaries that are not Guarantors shall not exceed at any one time outstanding the greater of (a) $200 million and (b) 2.0% of the Company s ACNTA.

The limitation described in the preceding paragraph shall not prohibit the incurrence of the following Indebtedness by the Company or any of its Restricted Subsidiaries or the issuance of Disqualified Stock by the Company or Preferred Stock by any Restricted Subsidiary of the Company ( Permitted Debt ):

(1) Indebtedness of the Company or any of its Restricted Subsidiaries (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) under one or more Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not exceeding the greater of (a) $2.5 billion and (b) the sum of $500 million plus 30.0% of the Company s ACNTA as of the date of such incurrence;

(2) Indebtedness owed to and Preferred Stock issued to and, in each case, held by the Company or any of its Restricted Subsidiaries; *provided* that any subsequent issuance or transfer of any Capital Stock which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary of the Company or any subsequent transfer of such Indebtedness or Preferred Stock (other than to the Company or another Restricted Subsidiary of the Company) shall be deemed, in each case, to constitute the incurrence of such Indebtedness or the issuance of such Preferred Stock not permitted by this clause (2);

(3) the Notes (other than any Additional Notes) and the Subsidiary Guarantees related thereto;

(4) Indebtedness outstanding on the Issue Date (other than Indebtedness described in clauses (1), (2) and (3) of this paragraph);

(5) Refinancing Indebtedness in respect of Indebtedness incurred by the Company or any of its Restricted Subsidiaries in exchange for, or the net proceeds of which are used to Refinance any Indebtedness (other than intercompany Indebtedness), Disqualified Stock or Preferred Stock, as applicable, that was permitted by the Indenture to be incurred or issued pursuant to the first paragraph of this covenant or pursuant to clauses (3) and (4) of this paragraph and this clause (5);

(6) Indebtedness represented by Capital Lease Obligations, mortgage financings, purchase money obligations or other Indebtedness, in each case incurred for the purpose of financing all or any part of the price or cost of design, construction, installation, development, repair or improvement of plant, property or equipment used in the business of the Company or any of its Restricted Subsidiaries, and Refinancing Indebtedness thereof, in an aggregate principal amount, when taken together with the outstanding amount of all other Indebtedness or Refinancing Indebtedness incurred pursuant to this clause (6), not to exceed at any time outstanding under this clause (6) the greater of (a) $500 million and (b) 5.0% of the Company s ACNTA at the time of any incurrences under this clause (6);

(7) Guarantees by the Company or a Restricted Subsidiary of the Company of any Indebtedness of the Company or any Restricted Subsidiary of the Company that is permitted to be incurred by another provision of this covenant and could have been incurred (in compliance with this covenant) by the Person so Guaranteeing such Indebtedness; *provided*, *however*, that if the Indebtedness being

Guaranteed is subordinated to or *pari passu* with the Notes, then the Subsidiary Guarantee must be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness Guaranteed;

(8) Indebtedness under Hedging Contracts, Interest Rate Agreements and Currency Agreements entered into in the ordinary course of business for the purpose of limiting risks that arise in the ordinary course of business and not for speculation;

(9) Indebtedness in respect of self-insurance obligations or bid, plugging and abandonment, appeal, reimbursement, performance, surety and similar obligations and completion guarantees provided by or for the account of the Company or any Restricted Subsidiary of the Company in the ordinary course of business, and any Guarantees and letters of credit functioning as or supporting any of the foregoing in the ordinary course of business;

(10) Permitted Marketing Obligations;

(11) in-kind obligations relating to oil or natural gas balancing positions arising in the ordinary course of business;

(12) Indebtedness under the Existing Receivables Financing and any other Indebtedness of a Receivables Subsidiary incurred in a Qualified Receivables Transaction;

(13) liability in respect of the Indebtedness of any Unrestricted Subsidiary of the Company or any Joint Venture but only to the extent that such liability is the result of (a) the Company s or any such Restricted Subsidiary s being a general partner of such Unrestricted Subsidiary or Joint Venture and not as Guarantor of such Indebtedness, *provided* that, after giving effect to any such incurrence, the aggregate principal amount of all Indebtedness incurred under this clause (13) and then outstanding does not exceed $25 million, or (b) the pledge of (or a Guarantee limited in recourse solely to) Equity Interests in such Unrestricted Subsidiary or Joint Venture held by the Company or such Restricted Subsidiary to secure such Indebtedness and solely to the extent such Indebtedness constitutes Non-Recourse Debt;

(14) Permitted Acquisition Indebtedness; and

(15) Indebtedness of the Company or any Restricted Subsidiary of the Company or the issuance of any Disqualified Stock by the Company or Preferred Stock by any Restricted Subsidiary in an aggregate amount not exceeding, at any one time outstanding, including any Refinancing Indebtedness thereof, the greater of (i) $500 million and (ii) 5.0% of the Company s ACNTA at the time of any incurrence under this clause (15).

In the event that an item of Indebtedness meets the criteria of more than one of the categories of Indebtedness described in clauses (1) through (15) of the preceding paragraph or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company shall, in its sole discretion, divide, classify or reclassify (or later divide, classify, redivide or reclassify) such item of Indebtedness in any manner that complies with this covenant (including

splitting into multiple exceptions) and will only be required to include the amount and type of such Indebtedness in one of such clauses of the preceding paragraph or pursuant to the first paragraph of this covenant; *provided* that Indebtedness of the Company and any of its Restricted Subsidiaries outstanding under the Credit Agreement as of the Issue Date shall initially be deemed to have been incurred pursuant to clause (1) of the preceding paragraph.

The accrual of interest or Preferred Stock or Disqualified Stock dividends or distributions, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Preferred Stock or Disqualified Stock as Indebtedness due to a change in accounting principles, and the payment of dividends or distributions on Preferred Stock or Disqualified Stock in the form of additional securities of the same class of Preferred Stock or Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Preferred Stock or Disqualified Stock

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for purposes of this covenant; *provided* that the amount thereof shall be included in the calculation Consolidated Interest Expense of the Company as accrued to the extent required by the definition of such term.

**Limitation on Restricted Payments**

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, make a Restricted Payment if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

(1) a Default (other than a Reporting Default) shall have occurred and be continuing (or would result therefrom);

(2) the Company is not able to incur an additional $1.00 of Indebtedness pursuant to the Consolidated Coverage Ratio test described under the caption Limitation on Indebtedness ; or

(3) the aggregate amount of such Restricted Payment and all other Restricted Payments since January 1, 2010 (excluding Restricted Payments permitted by clauses (2) through (10) and clauses (12) and (13) of the second paragraph of this covenant) would exceed the sum of (without duplication):

(a) 50% of the cumulative Consolidated Net Income of the Company for the period commencing on January 1, 2010 and ending on the last day of the fiscal quarter ending on or immediately preceding the date of such proposed Restricted Payment (or, if such aggregate Consolidated Net Income shall be a deficit, minus 100% of such deficit);

(b) the aggregate Net Cash Proceeds and the Fair Market Value of property or securities other than cash received (including Equity Interests of Persons other than the Company or a Subsidiary of the Company, engaged primarily in the Permitted Business or assets used or useful in the Permitted Business) in each case by the Company since January 1, 2010 as a contribution to its common equity capital or from the issuance or sale of its Equity Interests (other than Disqualified Stock and Net Cash Proceeds received from an issuance or sale of such Equity Interests to a Subsidiary of the Company or an employee stock ownership plan, option plan or similar trust to the extent such sale to an employee stock ownership plan, option plan or similar trust is financed by loans from or Guaranteed by the Company or any Restricted Subsidiary of the Company (unless such loans have been repaid with cash on or prior to the date of determination));

(c) the amount by which Indebtedness of the Company or its Restricted Subsidiaries is reduced on the Company s balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to January 1, 2010 of any Indebtedness of the Company or its Restricted Subsidiaries convertible or exchangeable for Equity Interests (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company upon such conversion or exchange), together with the net proceeds, if any, received by the Company or any of its Restricted Subsidiaries upon such conversion or exchange;

(d) to the extent not already included in Consolidated Net Income for such period, if any Restricted Investment is that was made by the Company or any of its Restricted Subsidiaries after January 1, 2010 is sold for cash (other than to the Company or any Subsidiary of the Company) or otherwise cancelled, liquidated, released or repaid for cash, the cash return or other reduction with respect to such Restricted Investment resulting from such sale, cancellation, liquidation, release or repayment;

(e) the extent that any Unrestricted Subsidiary of the Company or a Restricted Subsidiary of the Company designated as such after January 1, 2010 is redesignated as a Restricted Subsidiary pursuant to the terms of the Indenture or is merged or consolidated with or into, or transfers or otherwise disposes of all of substantially all of its assets to or is liquidated into, the Company or a Restricted Subsidiary of the Company after January 1, 2010, the lesser of, as of the date of such

redesignation, merger, consolidation, transfer, disposition or liquidation, (i) the Fair Market Value of the Company s Restricted Investment in such Subsidiary (or of the properties or assets disposed of, as applicable) as of the date of such redesignation, merger, consolidation, transfer, disposition or liquidation and (ii) such Fair Market Value as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary after January 1, 2010; and

(f) any dividends or distributions received in cash by the Company or a Restricted Subsidiary of the Company after January 1, 2010 from an Unrestricted Subsidiary of the Company, to the extent that such dividends or distributions were not otherwise included in the Consolidated Net Income of the Company for such period.

As of September 30, 2015, the amount available for Restricted Payments pursuant to this clause (3) would have been approximately $2,766 million.

The provisions of the foregoing paragraph shall not prohibit:

(1) the payment of any dividends or distribution or the consummation of any irrevocable redemption within 60 days after the date of declaration of the dividend or distribution or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend, distribution or redemption payment would have complied with the provisions of the Indenture;

(2) the making of any Restricted Payment in exchange for, or out or with Excluded Contributions or the Net Cash Proceeds of, the substantially concurrent sale of Equity Interests of the Company (other than Disqualified Stock and other than Equity Interests issued or sold to a Subsidiary of the Company); *provided* that the amount of any such the Net Cash Proceeds or Excluded Contributions that are utilized for any such Restricted Payment shall be excluded from the calculation of amounts under clause (3)(b) of the preceding paragraph (but only to the extent that the amount of such Net Cash Proceeds or Excluded Contributions were used to purchase or redeem such Equity Interests as provided in this clause (2));

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations or Disqualified Stock of the Company or Subordinated Obligations or Preferred Stock of any Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, Subordinated Obligations or Equity Interests of the Company or any Guarantor;

(4) repurchases of Subordinated Obligations of the Company or any Guarantor at a purchase price not greater than (i) 101% of the principal amount of such Subordinated Obligations in the event of a change of control or (ii) 100% of the principal amount of such Subordinated Obligations in the event of an asset disposition, in each case plus accrued and unpaid interest thereon, to the extent required by the terms of such Subordinated Obligations, but only if:

(a) in the case of a change of control, the Company has first complied with and fully satisfied its obligations under the provisions described under the caption Change of Control ; or

(b) in the case of an asset disposition, the Company has complied with and fully satisfied its obligations in accordance with the covenant described under the caption Limitation on Sales of Assets and Subsidiary Stock ;

(5) the repurchase, redemption or other acquisition or retirement for value of Equity Interests of the Company or any of its Subsidiaries held by any current or former officer, director or employee of the Company or any of its Subsidiaries (or their respective estates, heirs, family members, spouses, former spouses or beneficiaries under their estates or other permitted transferees), pursuant to the terms of any equity subscription agreement, stock option agreement, shareholders agreement, compensation agreement or arrangement or similar agreement; *provided* that the aggregate amount of such acquisitions or retirements (excluding amounts representing cancellation of Indebtedness) shall not exceed $7 million in any calendar year (with any portion of such $7 million amount that is unused in any calendar year to be carried forward to successive calendar years and added to such amount,

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*provided* that such amount shall not exceed $10 million at any time); *provided further* that such amount in any calendar year may be increased by an amount not to exceed the cash proceeds of key man life insurance policies received by the Company after the Issue Date;

(6) the repurchase of Equity Interests deemed to occur upon the exercise of stock or other equity options to the extent such Equity Interests represent a portion of the exercise price of those stock or other equity options and any repurchase or other acquisition of Equity Interests made in lieu of withholding taxes in connection with any exercise or exchange of stock options, warrants, incentives or other rights to acquire Equity Interests;

(7) dividends on the Company s Capital Stock not to exceed an annual rate of $0.50 per share (such amount to be appropriately adjusted to reflect any stock split, reverse stock split, stock dividend or similar transaction occurring after the Issue Date so that the aggregate amount of dividends permitted after such transaction is the same as the amount permitted immediately prior to such transaction);

(8) the declaration and payment of regularly scheduled or accrued dividends or distributions to holders of any class or series of Disqualified Stock of the Company or any Preferred Stock of any Restricted Subsidiary of the Company issued on or after the Issue Date in accordance with the covenant described under the caption Limitation on Indebtedness ;

(9) payments of cash, dividends, distributions, advances or other Restricted Payments by the Company or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (i) the exercise of options or warrants or (ii) the conversion or exchange of Equity Interests of any such Person;

(10) payments to dissenting stockholders of the Company not to exceed $5 million in the aggregate made (a) pursuant to applicable law or (b) in connection with the settlement or other satisfaction of legal claims made pursuant to or in connection with a consolidation, merger or transfer of assets in connection with a transaction not prohibited by the Indenture;

(11) Equity Repurchases (a) in an aggregate amount not in excess of $500 million and (b) in excess of the amount provided in clause (a) provided that, in the case of (b), immediately after giving effect to such Restricted Payment and the incurrence of any Indebtedness to finance such repurchase, as if it had occurred at the beginning of the most recently ended four full fiscal quarters for which internal financial statements of the Company are available, the Total Leverage Ratio would not be greater than 2.75 to 1.0; *provided, however*, that such amount shall be included in the calculation of the amount available for Restricted Payments pursuant to clause (3) of the preceding paragraph, but shall not reduce such amount available for Restricted Payments below zero;

(12) a Qualified Spin Transaction; and

(13) Restricted Payments in an aggregate amount since January 1, 2010 not to exceed the greater of (a) $100 million and (b) 1.0% of the Company s ACNTA.

For the purposes of this covenant, a sale of Equity Interests or Subordinated Obligations shall be deemed substantially concurrent if such sale occurs within 120 days of the applicable exchange. For purposes of determining compliance with the foregoing covenant, in the event that a Restricted Payment or other transaction governed by this covenant meets the criteria of more than one of the categories of Restricted Payments described in clauses (1) through (13) of the preceding paragraph, or is permitted pursuant to the first paragraph of this covenant, the Company will be permitted to classify or divide (or later classify, reclassify, divide or redivide in whole or in part in its sole discretion) such Restricted Payment or other such transaction (or portion thereof) on the date made or later classify, reclassify, divide or re-divide such Restricted Payment or other such transaction (or portion thereof) in any manner that complies with this covenant. The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment (or, in the case of a dividend or distribution, on the date of declaration) of the asset(s) or securities proposed to be transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

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**Limitation on Restrictions on Distributions from Restricted Subsidiaries**

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary of the Company to:

(1) pay dividends or make any other distributions on its Capital Stock or pay any Indebtedness owed to the Company or any Restricted Subsidiary of the Company (*provided*, *however*, that (i) the priority that any series of Preferred Stock of a Restricted Subsidiary of the Company has in receiving dividends or liquidating distributions shall not be deemed to be a restriction on the ability to pay dividends or make other distributions on its Capital Stock for purposes of this covenant and (ii) the subordination of Indebtedness owed to the Company or any Restricted Subsidiary to other Indebtedness incurred by any Restricted Subsidiary shall not be deemed a restriction on the ability to pay Indebtedness);

(2) make any loans or advances to the Company or a Restricted Subsidiary of the Company (it being understood that the subordination of loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness incurred by the Company or any Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances); or

(3) sell, lease or transfer any of its property or assets to the Company or a Restricted Subsidiary of the Company.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) any encumbrance or restriction in any agreement in effect on the Issue Date (including the Credit Agreement);

(2) the Indenture, the Notes and the Subsidiary Guarantees;

(3) any encumbrance or restriction with respect to a Restricted Subsidiary of the Company pursuant to an agreement relating to any Indebtedness incurred by such Restricted Subsidiary on or prior to the date on which such Restricted Subsidiary was acquired by the Company or became a Restricted Subsidiary of the Company (other than Indebtedness incurred as consideration in, or to provide all or any portion of the funds or credit support utilized to consummate, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Restricted Subsidiary of the Company or was acquired by the Company) and outstanding on such date;

(4) any encumbrance or restriction pursuant to an agreement effecting a Refinancing of Indebtedness incurred pursuant to an agreement referred to in clause (1), (2) or (3) of this paragraph or this clause (4) or contained in any amendment to an agreement referred to in clause (1), (2) or (3) of this paragraph or this clause (4);

*provided* that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such refinancing agreement or amendment are no less favorable to the Noteholders than encumbrances and restrictions with respect to such Restricted Subsidiary contained in such agreements, as determined in good faith by the Company;

(5) (a) customary non-assignment provisions in any contract, license, lease or sale or exchange agreement and (b) cash, other deposits, or net worth or similar requirements, in each case, imposed by suppliers, customers or lessors under contracts or leases, in the case of each of clauses (a) and (b), entered into in the ordinary course of business;

(6) in the case of clause (3) of the preceding paragraph, restrictions contained in Capital Lease Obligations, purchase money obligations, security agreements or mortgages securing Indebtedness of a Restricted Subsidiary of the Company to the extent such restrictions restrict the transfer of the property subject to such Capital Lease Obligations, purchase money obligations, security agreements or mortgages;

(7) any restriction with respect to a Restricted Subsidiary of the Company imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;

(8) any encumbrance or restriction in any agreement or instrument in the Existing Receivables Financing and in connection with a Qualified Receivables Transaction;

(9) Refinancing Indebtedness; *provided* that the encumbrances or restrictions contained in the agreements governing such Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced, as determined in good faith by the Company;

(10) Liens securing Indebtedness otherwise permitted to be incurred under the provisions of the covenant described below under the caption Limitation on Liens that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements (including, without limitation, agreements entered into in connection with a Restricted Investment) entered into with the approval of the Company s Board of Directors, which limitation is applicable only to the assets that are the subject of such agreements;

(12) encumbrances or restrictions applicable only to a Restricted Subsidiary of the Company that is not a Domestic Subsidiary;

(13) customary encumbrances and restrictions contained in agreements of the types described in the definition of Permitted Business Investments ;

(14) agreements governing Hedging Contracts, Interest Rate Agreements and Currency Agreements incurred in the ordinary course of business;

(15) any encumbrance or restriction with respect to an Unrestricted Subsidiary pursuant to or by reason of an agreement that the Unrestricted Subsidiary is a party to or entered into before the date on which such Unrestricted Subsidiary became a Restricted Subsidiary of the Company; *provided* that such agreement was not entered into in anticipation of the Unrestricted Subsidiary becoming a Restricted Subsidiary of the Company and any such encumbrance or restriction does not extend to any assets or property of the Company or any other Restricted Subsidiary of the Company other than the assets and property of such Unrestricted Subsidiary;

(16) provisions limiting the distribution or dividend of assets or any portion of Capital Stock of SpinCo in connection with a Qualified Spin Transaction; and

(17)

any encumbrances or restrictions imposed by any amendments of the contracts, instruments or obligations referred to in clauses (1) through (16) of this paragraph; *provided* that such amendments are not materially more restrictive with respect to such encumbrances and restrictions than those prior to such amendment or refinancing, as determined in good faith by the Company.

**Limitation on Sales of Assets and Subsidiary Stock**

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, consummate any Asset Disposition unless:

(1) the Company or a Restricted Subsidiary receives consideration at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Disposition), of the assets and Equity Interests issued or sold pursuant to such Asset Disposition;

(2) at least 75% of the consideration received by the Company or its Restricted Subsidiaries is in the form of cash or Temporary Cash Investments, Additional Assets or any combination thereof (collectively, the Cash Consideration ); *provided* that each of the following will be deemed to be cash:

(a) any liabilities, as shown on the Company s most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by

their terms subordinated to the Notes or any Subsidiary Guarantee) that are assumed by the transferee by written agreement that releases the Company or such Restricted Subsidiary from or indemnifies the Company or such Restricted Subsidiary against further liability;

(b) with respect to any Asset Disposition of Oil and Gas Properties by the Company or any Restricted Subsidiary where the Company or such Restricted Subsidiary retains an interest in such property, the costs and expenses of the Company or such Restricted Subsidiary related to the exploration, development, completion or production of such properties and activities related thereto which the transferee (or an Affiliate thereof) agrees to pay;

(c) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from the transferee that are, within 180 days of the Asset Disposition, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion; and

(d) any Designated Non-Cash Consideration received by the Company or such Restricted Subsidiary in such Asset Disposition having an aggregate Fair Market Value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (d), not to exceed an amount equal to 7.5% of the Company s ACNTA (determined at the time of receipt of such Designated Non-Cash Consideration), with the Fair Market Value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value; and

(3) an amount equal to 100% of the Net Available Cash from such Asset Disposition is applied by the Company (or a Restricted Subsidiary, as the case may be) within 365 days to:

(a) prepay, repay, redeem or purchase any Senior Debt;

(b) acquire Additional Assets; or

(c) make capital expenditures in a Permitted Business.

The requirement of clauses (3)(b) and (3)(c) of the preceding paragraph shall be deemed to be satisfied if a bona fide binding contract committing to make the investment, acquisition or expenditure referred to therein is entered into by the Company (or any Restricted Subsidiary of the Company) with a Person other than a Restricted Subsidiary of the Company within the time period specified in the preceding paragraph and such Net Available Cash is subsequently applied in accordance with such contract within six months following the date such agreement is entered into.

Pending application of Net Available Cash pursuant to this covenant, the Company or any Restricted Subsidiary of the Company may apply the Net Available Cash to temporarily reducing Indebtedness under any Credit Facility or otherwise invest the Net Available Cash in any manner that is not prohibited by the Indenture.

The amount of Net Available Cash not applied or invested as provided above will constitute Excess Proceeds. When the aggregate amount of Excess Proceeds equals or exceeds $50 million, the Company shall make an offer to purchase Notes and other Pari Passu Indebtedness of the Company (an Offer ) within 30 days, and shall purchase Notes tendered pursuant to an Offer by the Company for the Notes (and such other Pari Passu Indebtedness of the Company) at a purchase price of 100% of their principal amount without premium, plus accrued but unpaid interest to, but not including, the date of purchase, subject to the right of Holders of record on the relevant record date to receive interest on the relevant interest payment date (or, in respect of such other Pari Passu Indebtedness of the Company, such lesser price, if any, as may be provided for by the terms of such Pari Passu Indebtedness of the Company) in accordance with the procedures (including prorating in the event of oversubscription) set forth in the Indenture. If the aggregate purchase price of the securities tendered exceeds the amount of Excess Proceeds, the Company will select the securities to be purchased on a *pro rata* basis (except that any Notes represented by a Note in global form will be selected by such method as DTC or its nominee or successor may require or, where such nominee or successor is the Trustee, a method that most nearly

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approximates *pro rata* selection as the Trustee deems fair and appropriate unless otherwise required by law) but in round denominations, which in the case of the Notes will be denominations of $2,000 principal amount or integral multiples of $1,000 in excess thereof. Upon completion of an Offer, Excess Proceeds will be deemed to be reset to zero.

The provisions of the Indenture relative to the Company s obligation to make an offer to repurchase the Notes as a result of an Asset Disposition may be waived or modified with the consent of a majority in principal amount of the outstanding Notes (including, without limitation, Additional Notes, if any).

The Company will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of its compliance with such securities laws or regulations.

**Limitation on Affiliate Transactions**

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) with any Affiliate of the Company (an Affiliate Transaction ) unless the terms thereof:

(1) are not materially less favorable to the Company or such Restricted Subsidiary than those that could be obtained at the time of such transaction in arm s-length dealings with a Person who is not such an Affiliate or, if in the good faith judgment of the Board of Directors, no comparable transaction is available with which to compare such Affiliate Transaction, such Affiliate Transaction is otherwise fair to the Company or the relevant Restricted Subsidiary from a financial point of view; and

(2) if such Affiliate Transaction involves an amount in excess of $30 million, are set forth in writing and have been approved by the Board of Directors, including a majority of the members of the Board of Directors having no personal stake in such Affiliate Transaction.

The following items will not be deemed to be Affiliate Transactions under the Indenture and, therefore, will not be subject to the provisions of foregoing paragraph:

(1) any employment agreement, employee benefit plan, officer or director indemnification agreement or any similar arrangement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business and payments pursuant thereto;

(2) any sale of Hydrocarbons or other mineral products to an Affiliate of the Company or the entering into or performance of Hedging Contracts, contracts for exploring for, producing, gathering, marketing, processing, storing or otherwise handling Hydrocarbons, or activities or services reasonably related or ancillary thereto, or other operational contracts entered into in the ordinary course of business which are fair to the Company and its Restricted Subsidiaries taken as a whole, or are on terms at least as favorable as might reasonably

have been obtained at such time from an unaffiliated party, as determined in good faith by the Company;

(3) the sale or issuance to an Affiliate of the Company of Capital Stock of the Company that does not constitute Disqualified Stock, and the sale to an Affiliate of the Company of Indebtedness (including Disqualified Stock) of the Company in connection with an offering of such Indebtedness in a market transaction and on terms substantially identical to those of other purchasers in such market transaction;

(4) transactions with a Person (other than an Unrestricted Subsidiary of the Company) that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary of the Company, Capital Stock in, or controls, such Person;

(5) transactions between the Company or any Restricted Subsidiary of the Company and any Person, a director of which is also a director of the Company and such director is the sole cause for such Person to be deemed an Affiliate of the Company or such Restricted Subsidiary; *provided* that such director shall abstain from voting as a director of the Company on any matter involving such other person;

(6) the payment of reasonable fees to and reimbursements of expenses (including travel and entertainment expenses and similar expenditures in the ordinary course of business) of employees, officers, directors or consultants of the Company or any of its Subsidiaries;

(7) transactions between or among the Company and its Restricted Subsidiaries;

(8) Restricted Payments that are permitted by the provisions of the Indenture described above under the caption Limitation on Restricted Payments or Permitted Investments;

(9) sales, contributions, conveyances and other transfers of Receivables and related assets of the type specified in the definition of Qualified Receivables Transaction to a Receivables Subsidiary or any other similar transactions in connection with any Qualified Receivables Transaction;

(10) transactions effected in accordance with the terms of any agreement to which the Company or any Restricted Subsidiary of the Company is a party as of the Issue Date and scheduled in the Indenture, and any amendments, modifications, supplements, extensions, renewals or replacements thereof so long as such amendments, modifications, supplements, extensions, renewals or replacements do not materially and adversely affect the rights, taken as a whole, of the Holders of the Notes as compared to the terms of such agreement in effect on the Issue Date, as determined in good faith by the Company;

(11) any transaction in which the Company or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an accounting, appraisal or investment banking firm of national standing stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or that such transaction meets the requirements of clause (1) of the preceding paragraph;

(12) loans or advances to employees, officers or directors in the ordinary course of business and approved by the Company s Board of Directors in an aggregate principal amount not to exceed $7.5 million outstanding at any one time;

(13) agreements and transactions entered into or effected in connection with a Qualified Spin Transaction; and

(14) (a) Guarantees by the Company or any of its Restricted Subsidiaries of performance of obligations of the Company s Unrestricted Subsidiaries in the ordinary course of business, except for Guarantees of Indebtedness and (b) pledges by the Company or any Restricted Subsidiary of the Company of (or any

Guarantee by the Company or any Restricted Subsidiary limited in recourse solely to) Equity Interests in Unrestricted Subsidiaries for the benefit of lenders or other creditors of the Company s Unrestricted Subsidiaries.

**Limitation on Liens**

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien (the Initial Lien ), other than Permitted Liens, of any nature whatsoever against any assets of the Company or any Restricted Subsidiary of the Company (including Capital Stock of a Restricted Subsidiary), whether owned at the Issue Date or thereafter acquired, which Lien secures Indebtedness or trade payables, unless contemporaneously therewith:

(1) in the case of any such Lien securing an obligation that ranks *pari passu* with the Notes or a Guarantee, effective provision is made to secure the Notes or such Guarantee, as the case may be, at least equally and ratably with or prior to such obligation with a Lien on the same assets of the Company or such Restricted Subsidiary, as the case may be; and

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(2) in the case of any such Lien securing an obligation that is subordinated in right of payment to the Notes or a Guarantee, effective provision is made to secure the Notes or such Guarantee, as the case may be, with a Lien on the same assets of the Company or such Restricted Subsidiary, as the case may be, that is prior to the Lien securing such subordinated obligation;

*provided* that any Lien created for the benefit of the Holders of the Notes pursuant to this covenant shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Initial Lien.

**Merger and Consolidation**

The Company shall not consolidate with or merge with or into, or convey, transfer, lease or otherwise dispose of, in one transaction or a series of transactions, all or substantially all the assets of the Company and its Restricted Subsidiaries, taken as a whole, to any Person, unless:

(1) (a) the resulting, surviving or transferee Person (if not the Company) (the Successor Company ) shall be a Person organized and existing under the laws of the United States of America, any State thereof or the District of Columbia and (b) the Successor Company (if not the Company) shall expressly assume all the obligations of the Company under the Notes, the Indenture and the registration rights agreement pursuant to agreements in form reasonably satisfactory to the Trustee;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction and any related financing transaction on a pro forma basis as if the same had occurred at the beginning of the applicable four-quarter period, either (i) the Company or the Successor Company (if other than the Company) would be able to incur an additional $1.00 of Indebtedness pursuant to the first paragraph of the covenant described under the caption Limitation on Indebtedness or (ii) the Consolidated Coverage Ratio of the Company or the Successor Company (if other than the Company) is equal to or greater than the Consolidated Coverage Ratio of the Company immediately prior to such transaction; and

(4) the Company has delivered to the Trustee an officers certificate and an opinion of counsel, each stating that such transaction and such supplemental indenture, if any, comply with the Indenture.

For purposes of this paragraph, except as provided in the next paragraph, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the assets of one or more Restricted Subsidiaries, the Capital Stock of which constitute all or substantially all of the assets of the Company, will be deemed to be the transfer of all or substantially all of the assets of the Company.

The foregoing notwithstanding, the restrictions in the preceding paragraph will not apply to any disposition of assets resulting from a Qualified Spin Transaction that is effected in accordance with the definition of that term. Furthermore, any Restricted Subsidiary of the Company may consolidate with or merge into the Company and the Company may consolidate with or merge into or dispose of all or substantially all of its assets to any Guarantor, without complying with the foregoing clause (3) in connection with any such consolidation, merger or disposition.

The foregoing notwithstanding, the Company is permitted to reorganize as any other form of entity in accordance with the following procedures *provided* that:

(1) the reorganization involves the conversion (by merger, sale, contribution or exchange of assets or otherwise) of the Company into a form of entity other than a corporation formed under Delaware law;

(2) the entity so formed by or resulting from such reorganization is an entity organized or existing under the laws of the United States, any state thereof or the District of Columbia;

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(3) the entity so formed by or resulting from such reorganization assumes all the obligations of the Company under the Notes and the Indenture pursuant to a supplemental indenture in form reasonably satisfactory to the Trustee;

(4) immediately after such reorganization no Default exists; and

(5) such reorganization is not materially adverse to the Holders or Beneficial Owners of the Notes.

The Successor Company shall be the successor to the Company and shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture, and the predecessor Company, except in the case of a lease, shall be released from the obligation to pay the principal of and interest on the Notes.

The Company will not permit any Subsidiary Guarantor to consolidate with or merge with or into, or convey, transfer, lease or otherwise dispose of, in one transaction or a series of transactions, all or substantially all of its assets to any Person (other than the Company or a Subsidiary Guarantor) unless either the Subsidiary Guarantee of such Subsidiary Guarantor is released as described above under Guarantees or:

(1) the resulting, surviving or transferee Person (if not such Subsidiary) shall be a Person organized and existing under the laws of the jurisdiction under which such Subsidiary was organized or under the laws of the United States of America, or any State thereof or the District of Columbia, and such Person shall expressly assume, by executing a supplemental indenture in form reasonably satisfactory to the Trustee, all the obligations of such Subsidiary, if any, under its Subsidiary Guarantee and the registration rights agreement;

(2) immediately after giving effect to such transaction or transactions on a pro forma basis (and treating any Indebtedness which becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction), no Default shall have occurred and be continuing; and

(3) the Company shall have complied with certain additional conditions contained in the Indenture.

**Reports**

Whether or not required by the Securities and Exchange Commission (the SEC ), so long as any Notes are outstanding, the Company will furnish or make available to the Holders of Notes, within the time periods specified in the SEC s rules and regulations for a company that is subject to Section 13(a) or 15(d) of the Exchange Act:

(1) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Company were required to file such Forms, including a Management s Discussion and Analysis of Financial Condition and Results of Operations and, with respect to the annual information only, a report on the annual financial statements by the Company s certified independent accountants; and

(2) all current reports that would be required to be filed with the SEC on Form 8-K if the Company were required to file such reports;

*provided* that any such above information or reports filed with the EDGAR system of the SEC (or any successor system) and available publicly on the Internet shall be deemed to be furnished or made available to the Holders of Notes.

If the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries and such Unrestricted Subsidiaries hold more than 10.0% of the Adjusted Consolidated Net Tangible Assets of the Company in the aggregate, then the quarterly and annual financial information required by the preceding paragraph shall include

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a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Company s Unrestricted Subsidiaries.

The Company and the Subsidiary Guarantors will agree in the Indenture that, for so long as any Notes remain outstanding and are restricted securities under Rule 144 of the Securities Act, if at any time they are not required to file with the SEC the reports required by the first paragraph of this covenant, the Company and the Subsidiary Guarantors will furnish to Holders and securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

**Future Subsidiary Guarantors**

If, after the Issue Date, any Domestic Subsidiary of the Company that is not an Immaterial Subsidiary and that is not already a Subsidiary Guarantor Guarantees or otherwise becomes an obligor with respect to any other Indebtedness of the Company or any Subsidiary Guarantor in excess of the De Minimis Amount, then such Domestic Subsidiary will become a Guarantor by executing a supplemental indenture and delivering it to the Trustee within 20 Business Days of the date on which it Guaranteed or became an obligor with respect to such Indebtedness; *provided, however*, that the preceding shall not apply to Subsidiaries of the Company that have properly been designated as Unrestricted Subsidiaries in accordance with the Indenture for so long as they continue to constitute Unrestricted Subsidiaries. Notwithstanding the preceding, any Subsidiary Guarantee of a Domestic Subsidiary that was incurred pursuant to this paragraph shall provide by its terms that it shall be automatically and unconditionally released at such time as such Subsidiary Guarantor ceases to Guarantee or otherwise be an obligor with respect to any other Indebtedness of the Company or any other Subsidiary Guarantor in excess of the De Minimis Amount.

**Designation of Unrestricted Subsidiaries**

The Board of Directors of the Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as Unrestricted will be deemed to be either an Investment made as of the time of the designation that will reduce the amount available for Restricted Payments under the covenant described above under the caption Limitation on Restricted Payments or represent a Permitted Investment under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a copy of a resolution of the Board of Directors giving effect to such designation and an officers certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption Limitation on Restricted Payments. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption Limitation on Indebtedness, the Company will be in default of such covenant.

The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Company; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a

Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant

described under the caption Limitation on Indebtedness, calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation.

**Defaults**

Each of the following is an Event of Default :

(1) a default in the payment when due of interest on the Notes for 30 days;

(2) a default in the payment of principal of any Note when due (at its Stated Maturity, upon optional redemption, upon required purchase, upon declaration of acceleration or otherwise);

(3) the failure by the Company for 30 days after written notice has been given to the Company by the Trustee or Holders of at least 25% in principal amount of the Notes then outstanding to comply with any of its obligations to offer to purchase or purchase Notes in the covenants described above under Change of Control and Certain Covenants Limitation on Sales of Assets and Subsidiary Stock or with its obligations under Certain Covenants Merger and Consolidation above;

(4) the failure by the Company for 180 days after written notice to the Company from the Trustee or Holders of at least 25% in principal amount of the Notes then outstanding to comply with any of its obligations in the covenants described above under Certain Covenants Reports ;

(5) the failure by the Company for 60 days after written notice to the Company by the Trustee or Holders of at least 25% in principal amount of the Notes then outstanding to comply with its other agreements contained in the Indenture;

(6) default under any mortgage, indenture or instrument under which there is issued or by which there is secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, if that default:

(a) is caused by a failure to pay principal of, premium, if any, on, or interest, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a Payment Default ); or

(b) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated,

aggregates $75 million or more; *provided*, *however*, that if, prior to any acceleration of the Notes, (i) any such Payment Default is cured or waived, (ii) any such acceleration is rescinded, or (iii) such Indebtedness is repaid during the 30 Business Day period commencing upon the end of any applicable grace period for such Payment Default or the occurrence of such acceleration, as the case may be, any Default or Event of Default (but not any acceleration of the Notes) caused by such Payment Default or acceleration shall be automatically rescinded, so long as such rescission does not conflict with any judgment, decree or applicable law;

(7) certain events of bankruptcy, insolvency or reorganization of the Company or a Significant Subsidiary (the bankruptcy provisions ) as described in the Indenture;

(8) any judgment or decree for the payment of money in an amount in excess of $75 million or its foreign currency equivalent at the time is rendered against the Company or a Significant Subsidiary (to the extent not covered by insurance or indemnity or, if covered by insurance or indemnity, to the extent the insurer or indemnitor has not disclaimed coverage), which judgments are not discharged, waived, bonded or stayed for a period of 60 days (the judgment default provision ); or

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(9) any Subsidiary Guarantee of any Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Subsidiary Guarantee and the Indenture) or is declared null and void and unenforceable or found to be invalid or any Subsidiary Guarantor denies its liability under its Subsidiary Guarantee (other than by reason of release of a Subsidiary Guarantor from its Subsidiary Guarantee in accordance with the terms of the Indenture and the Subsidiary Guarantee) (the guarantee default provision ).

If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes may declare the principal of and accrued but unpaid interest on all the Notes to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Company occurs and is continuing, the principal of and interest on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders of the Notes. Under certain circumstances, the Holders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

Subject to the provisions of the Indenture relating to the duties of the Trustee in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders of the Notes unless such Holders have furnished to the Trustee indemnity or security satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee notice that an Event of Default is continuing;

(2) Holders of at least 25% in principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy;

(3) such Holders have offered the Trustee security or indemnity satisfactory to it against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security or indemnity; and

(5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in principal amount of the outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder of a Note or that would involve the Trustee in personal liability.

The Indenture will provide that if a Default occurs and is continuing and is known to the Trustee, the Trustee must mail to each Holder of the Notes (or send electronically if DTC is the recipient) notice of the Default within 90 days

after it occurs. Except in the case of a Default in the payment of principal of or interest on any Note, the Trustee may withhold notice if and so long as it determines that withholding notice is not opposed to the interest of the Holders of the Notes. In addition, the Company will be required to deliver to the Trustee, within 120 days after the end of each fiscal year, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Company also will be required to deliver to the Trustee, within 30 days of becoming aware of the occurrence thereof, written notice of any Defaults, their status and what action the Company is taking or proposes to take in respect thereof.

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**No Personal Liability of Directors, Officers, Employees and Stockholders**

No director, officer, employee, manager, incorporator, member, partner or stockholder or other owner of Capital Stock of the Company or any of its Subsidiaries, as such, will have any liability for any obligations of the Company or the Subsidiary Guarantors under the Notes, the Indenture or the Subsidiary Guarantees, or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of a Note by accepting the Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

**Amendments and Waivers**

Subject to certain exceptions, the Indenture may be amended with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a tender offer or exchange for the Notes) and any past default or compliance with any provisions may also be waived with the consent of the Holders of a majority in principal amount of the Notes then outstanding. However, without the consent of each Holder of an outstanding Note affected thereby, an amendment or waiver may not, among other things:

(1) reduce the amount of Notes whose Holders must consent to an amendment or waiver;

(2) reduce the rate of or extend the time for payment of interest on any Note;

(3) reduce the principal of or change the Stated Maturity of any Note;

(4) reduce the premium payable upon the redemption of any Note or alter or waive any of the provisions with respect to the redemption or repurchase of the Notes (except provisions relating to minimum required notice of optional redemption or those provisions relating to the covenants to make offers to purchase Notes as described under the captions Change of Control and Certain Covenants Limitation on Sales of Assets and Subsidiary Stock );

(5) make any Note payable in money other than that stated in the Note;

(6) impair the right of any Holder of the Notes to receive payment of principal of and interest on such Holder s Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such Holder s Notes;

(7) make any change in the amendment provisions which require each Holder s consent or in the waiver provisions;

(8) make the Notes or the Subsidiary Guarantees subordinated in right of payment to any other obligation; or

(9) make any change in any Subsidiary Guarantee that could adversely affect such Holder.

Without the consent of any Holder of the Notes, the Company, the Subsidiary Guarantors and the Trustee may amend the Indenture to:

(1) cure any ambiguity, omission, defect or inconsistency;

(2) provide for the assumption by a successor of the obligations of the Company or the Subsidiary Guarantors under the Indenture;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes;

(4) add Guarantees with respect to the Notes (including any Subsidiary Guarantee) as provided in the Indenture or otherwise, or to evidence the release of any Subsidiary Guarantor from its Subsidiary Guarantee, as provided in the Indenture;

(5) secure the Notes or the Subsidiary Guarantees;

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(6) add to the covenants of the Company for the benefit of the Holders of the Notes or surrender any right or power conferred upon the Company or any Subsidiary Guarantor, including to comply with the requirements of the SEC or DTC in order to maintain the transferability of the Notes pursuant to Rule 144A under the Securities Act ( Rule 144A ) or Regulation S under the Securities Act ( Regulation S );

(7) make any change that does not adversely affect the rights of any Holder of the Notes;

(8) comply with any requirement of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act;

(9) provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the Issue Date;

(10) evidence or provide for the acceptance of appointment under the Indenture of a successor Trustee; or

(11) conform the text of the Indenture, the Notes or the Subsidiary Guarantees to any provision of this Description of New Notes, as certified to the Trustee in an officers certificate.

The consent of the Holders of the Notes is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

After an amendment under the Indenture requiring the consent of the Holders becomes effective, the Company is required to mail to Holders of the Notes (or sent electronically if DTC is the recipient) a notice briefly describing such amendment. However, the failure to give such notice to all Holders of the Notes, or any defect therein, will not impair or affect the validity of the amendment.

**Defeasance**

The Company at any time may terminate all its obligations under the Notes and the Indenture ( Legal Defeasance ), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain a registrar and paying agent in respect of the Notes. The Company at any time may terminate its obligations under Change of Control and under the covenants described under the caption Certain Covenants (other than the covenant described under the caption Certain Covenants Merger and Consolidation ), the operation of the cross acceleration provision, the bankruptcy provisions with respect to Significant Subsidiaries, the judgment default provision and the guarantee default provision described under the caption Defaults and the limitations contained in clause (3) of the first paragraph under the caption Certain Covenants Merger and Consolidation ( Covenant Defeasance ).

The Company may exercise its legal defeasance option notwithstanding its prior exercise of its Covenant Defeasance option. If the Company exercises its Legal Defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect thereto. If the Company exercises its Covenant Defeasance option, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5), (6), (7) (with respect only to Significant Subsidiaries) or (8) under Defaults above or because of the failure of the Company to comply with clause (3) of the first paragraph under Certain Covenants Merger and Consolidation. If the Company exercises its

Legal Defeasance option or its Covenant Defeasance option, each Subsidiary Guarantor will be released from all its obligations with respect to its Subsidiary Guarantee.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in U.S. dollars, Government Securities, or a combination thereof, in amounts as will be sufficient, in the opinion of an accounting, appraisal or investment banking firm of national standing, to

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pay the principal of, and interest on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date (*provided* that if such redemption is made as provided in the third paragraph under Optional Redemption, (x) the amount of cash in U.S. dollars, Government Securities, or a combination thereof, that must be irrevocably deposited will be determined using an assumed Applicable Premium calculated as of the date of such deposit and (y) the depositor must irrevocably deposit or cause to be deposited additional money in trust on the redemption date as necessary to pay the Applicable Premium as determined by such redemption date);

(2) in the case of Legal Defeasance, the Company must deliver to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company must deliver to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit (and any similar concurrent deposit relating to other Indebtedness), and the granting of Liens to secure such borrowings);

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture and the agreements governing any other Indebtedness being defeased, discharged or replaced) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) the Company must deliver to the Trustee an officers certificate stating that the deposit was not made by the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(7) the Company must deliver to the Trustee an officers certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

**Satisfaction and Discharge**

The Indenture will be satisfied and discharged and will cease to be of further effect as to all Notes issued thereunder (except as to surviving rights of registration of transfer or exchange of the Notes and as otherwise specified in the Indenture), when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable or will become due and payable within one year by reason of the giving of a notice of

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redemption or otherwise and either the Company or any Subsidiary Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, Government Securities, or a combination thereof, in such amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal of, or interest on, the Notes to the date of Stated Maturity or redemption (*provided* that if such redemption is made as provided in the third paragraph under Optional Redemption, (i) the amount of cash in U.S. dollars, Government Securities, or a combination thereof, that must be irrevocably deposited will be determined using an assumed Applicable Premium calculated as of the date of such deposit and (ii) the depositor must irrevocably deposit or cause to be deposited additional money in trust on the redemption date as necessary to pay the Applicable Premium as determined by such date);

(2) in respect of clause (1)(b), no Event of Default has occurred and is continuing on the date of the deposit (other than an Event of Default resulting from the borrowing of funds to be applied to such deposit and any similar deposit relating to other Indebtedness and, in each case, the granting of Liens to secure such borrowings) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Subsidiary Guarantor is a party or by which the Company or any Subsidiary Guarantor is bound (other than with respect to the borrowing of funds to be applied concurrently to make the deposit required to effect such satisfaction and discharge and any similar concurrent deposit relating to other Indebtedness, and in each case the granting of Liens to secure such borrowings);

(3) the Company has paid or caused to be paid all other sums payable by the Company under the Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee to apply the deposited money toward the payment of the Notes at Stated Maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an officers certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

**Concerning the Trustee**

Wells Fargo Bank, National Association will be the Trustee under the Indenture and has been appointed by the Company as registrar and paying agent with regard to the Notes.

If the Trustee becomes a creditor of the Company or any Subsidiary Guarantor, the Indenture will limit the right of the Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest (as defined in the Trust Indenture Act) after a Default has occurred and is continuing it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as Trustee (if the Indenture has been qualified under the Trust Indenture Act) or resign.

The Holders of a majority in principal amount of the outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. If an Event of Default occurs (and is not cured), the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of such person s own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any

Holder of Notes, unless such Holder shall have furnished to the Trustee security or indemnity satisfactory to it against any loss, liability or expense and then only to the extent required by the terms of the Indenture.

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**Governing Law**

The Indenture will provide that it, the Notes and the Subsidiary Guarantees will be governed by, and construed in accordance with, the laws of the State of New York.

**Where You Can Find More Information**

Any prospective investor in this offering who receives this prospectus may obtain a copy of the Indenture without charge by writing to CONSOL Energy Inc., 1000 CONSOL Energy Drive, Canonsburg, PA 15317-6506; Attention: Stephen W. Johnson.

**Book-Entry, Delivery and Form**

The new notes will be issued initially only in the form of one or more global notes (collectively, the Global Notes ). The Global Notes will be deposited upon issuance with the Trustee as custodian for DTC, and registered in the name of DTC s nominee, Cede & Co., in each case for credit to an account of a direct or indirect participant in DTC that has exchanged old notes for new notes in the exchange offer, as described below. Beneficial interests in the Global Notes may be held through the Euroclear System ( Euroclear ) and Clearstream Banking, S.A. ( Clearstream ) (as indirect participants in DTC).

The Global Notes may be transferred, in whole but not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for notes in registered, certificated form ( Certificated Notes ) except in the limited circumstances described below. See Exchange of Global Notes for Certificated Notes.

**Depository Procedures**

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Company takes no responsibility for these operations and procedures and urges investors to contact the system or their participants directly to discuss these matters.

DTC has advised the Company that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the Participants ) and to facilitate the clearance and settlement of transactions in those securities between Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to DTC s system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the Indirect Participants ). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised the Company that, pursuant to procedures established by it:

(1)

upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the exchange agent with portions of the principal amount of the Global Notes; and

(2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

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Investors in the Global Notes who are Participants in DTC s system may hold their interests therein directly through DTC. Investors in the Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants in such system. Euroclear and Clearstream may hold interests in the Global Notes on behalf of their participants through customers securities accounts in their respective names on the books of their depositories, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems.

The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

**Except as described below, owners of beneficial interests in the Global Notes will not have notes registered in their names, will not receive physical delivery of Certificated Notes and will not be considered the registered owners or Holders thereof under the Indenture for any purpose.**

Payments in respect of the principal of, and interest and premium, if any, on, a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered Holder under the Indenture. Under the terms of the Indenture, the Company, the Guarantors and the Trustee will treat the Persons in whose names the notes, including the Global Notes, are registered as the owners of the notes for the purpose of receiving payments and for all other purposes. Consequently, none of the Company, the Guarantors, the Trustee or any agent of the Company or the Trustee has or will have any responsibility or liability for:

(1) any aspect of DTC s records or any Participant s or Indirect Participant s records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any of DTC s records or any Participant s or Indirect Participant s records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised the Company that its current practice, at the due date of any payment in respect of securities such as the notes, is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the notes as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee or the Company. Neither the Company nor the Trustee will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the notes, and the Company and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Transfers between Participants in DTC will be effected in accordance with DTC s procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Cross-market transfers between the Participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC s rules on behalf of

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Euroclear or Clearstream, as the case may be, by its depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised the Company that it will take any action permitted to be taken by a Holder of notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the notes, DTC reserves the right to exchange the Global Notes for Certificated Notes, and to distribute such notes to its Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. None of the Company, the Trustee or any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

**Exchange of Global Notes for Certificated Notes**

A Global Note is exchangeable for Certificated Notes in minimum denominations of $2,000 and in integral multiples of $1,000 in excess of $2,000, if:

(1) DTC (a) notifies the Company that it is unwilling or unable to continue as depositary for the Global Note or (b) has ceased to be a clearing agency registered under the Exchange Act and in either event the Company fails to appoint a successor depositary within 90 days; or

(2) there has occurred and is continuing an Event of Default and DTC notifies the Trustee of its decision to exchange the Global Note for Certificated Notes.

Beneficial interests in a Global Note may also be exchanged for Certificated Notes in the other limited circumstances permitted by the Indenture, including if an affiliate of ours acquires such interests. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures).

**Exchange of Certificated Notes for Global Notes**

Certificated Notes may not be exchanged for beneficial interests in any Global Note, except in the limited circumstances provided in the Indenture.

**Same-Day Settlement and Payment**

The Company will make payments in respect of the Notes represented by the Global Notes (including principal, premium, if any, and interest) by wire transfer of immediately available funds to the accounts specified by the Global Note Holder. The Company will make all payments of principal, interest and premium, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the Holders of the Certificated Notes or, if no such account is specified, by mailing a check to each such Holder s

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registered address. The Notes represented by the Global Notes are eligible to trade in DTC s Same-Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. The Issuers expect that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Company at cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC s settlement date.

**Certain Definitions**

Additional Assets means:

(1) any property or assets (other than Indebtedness and Capital Stock) used or useful in a Permitted Business;

(2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or another Restricted Subsidiary; or

(3) Capital Stock constituting a non-controlling interest in any Person that at such time is a Restricted Subsidiary;

*provided* that any such Restricted Subsidiary described in clauses (2) or (3) above is primarily engaged in a Permitted Business.

Adjusted Consolidated Net Tangible Assets or ACNTA means (without duplication), as of the date of determination:

(1) the sum of:

(a) the discounted future net revenues from proved oil and natural gas reserves of a Person and its Restricted Subsidiaries calculated in accordance with SEC guidelines before any state or federal income taxes, as estimated in a reserve report prepared as of the end of such Person s most recently completed fiscal year, which reserve report is prepared, audited or reviewed by independent petroleum engineers as to proved reserves accounting for at least 80% of all such discounted future net revenues and by them Company s petroleum engineers with respect to any other proved reserves covered by such report, as *increased by*, as of the date of determination, the estimated discounted future net revenues from:

(i) estimated proved oil and natural gas reserves of such Person and its Restricted Subsidiaries acquired since the date of such year-end reserve report, and

(ii) estimated proved oil and natural gas reserves of such Person and its Restricted Subsidiaries attributable to extensions, discoveries and other additions and upward revisions of estimates of proved oil and natural gas reserves (including previously estimated development costs incurred during the period and the accretion of discount since the prior period end) since the date of such year-end reserve report due to exploration, development or exploitation, production or other activities which would, in accordance with standard industry practice, cause such revisions,

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and *decreased by*, as of the date of determination, the discounted future net revenue attributable to:

(iii) estimated proved oil and natural gas reserves of such Person and its Restricted Subsidiaries reflected in such reserve report produced or disposed of since the date of such year-end reserve report, and

(iv) reductions in estimated proved oil and natural gas reserves of such Person and its Restricted Subsidiaries reflected in such reserve report attributable to downward revisions of estimates of proved oil and natural gas reserves since such year-end due to changes in geological conditions or other factors which would, in accordance with standard industry practice, cause such revisions;

in the case of the preceding clauses (i) through (iv), calculated on a pre-tax basis in accordance with SEC guidelines (utilizing the prices utilized in such Person s year-end reserve report) and estimated by such Person s petroleum engineers or any independent petroleum engineers engaged by such Person for that purpose;