LILLY ELI & CO
Form 4
October 26, 2006

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
LILLY ENDOWMENT INC

(Last) (First) (Middle)

2801 NORTH MERIDIAN STREET

(Street)

INDIANAPOLIS, IN 46208-0068

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
LILLY ELI & CO [LLY]

3. Date of Earliest Transaction (Month/Day/Year)
10/25/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director __X__ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
1-Common Stock	10/25/2006		S		700	D	$ 57.79	141,665,104	D	
2-Common Stock	10/25/2006		S		700	D	$ 57.72	141,664,404	D	
3-Common Stock	10/25/2006		S		700	D	$ 57.71	141,663,704	D	
4-Common Stock	10/25/2006		S		2,100	D	$ 57.7	141,661,604	D	
5-Common Stock	10/25/2006		S		300	D	$ 57.68	141,661,304	D	
	10/25/2006		S		300	D		141,661,004	D	

6-Common Stock					$ 57.66		
7-Common Stock	10/25/2006	S	300	D	$ 57.65	141,660,704	D
8-Common Stock	10/25/2006	S	300	D	$ 57.64	141,660,404	D
9-Common Stock	10/25/2006	S	1,400	D	$ 57.63	141,659,004	D
10-Common Stock	10/25/2006	S	3,000	D	$ 57.62	141,656,004	D
11-Common Stock	10/25/2006	S	2,100	D	$ 57.61	141,653,904	D
12-Common Stock	10/25/2006	S	1,100	D	$ 57.6	141,652,804	D
13-Common Stock	10/25/2006	S	1,400	D	$ 57.59	141,651,404	D
14-Common Stock	10/25/2006	S	300	D	$ 57.58	141,651,104	D
15-Common Stock	10/25/2006	S	1,000	D	$ 57.57	141,650,104	D
16-Common Stock	10/25/2006	S	2,800	D	$ 57.56	141,647,304	D
17-Common Stock	10/25/2006	S	2,800	D	$ 57.55	141,644,504	D
18-Common Stock	10/25/2006	S	2,400	D	$ 57.54	141,642,104	D
19-Common Stock	10/25/2006	S	1,900	D	$ 57.53	141,640,204	D
20-Common Stock	10/25/2006	S	3,400	D	$ 57.52	141,636,804	D
21-Common Stock	10/25/2006	S	1,800	D	$ 57.51	141,635,004	D
22-Common Stock	10/25/2006	S	5,200	D	$ 57.5	141,629,804	D
23-Common Stock	10/25/2006	S	4,100	D	$ 57.49	141,625,704	D
24-Common Stock	10/25/2006	S	4,000	D	$ 57.48	141,621,704	D
25-Common Stock	10/25/2006	S	8,700	D	$ 57.47	141,613,004	D
	10/25/2006	S	5,000	D		141,608,004	D

26-Common Stock						$ 57.46		
27-Common Stock	10/25/2006		S	6,700	D	$ 57.45	141,601,304	D
28-Common Stock	10/25/2006		S	11,200	D	$ 57.44	141,590,104	D
29-Common Stock	10/25/2006		S	1,600	D	$ 57.43	141,588,504	D
30-Common Stock	10/25/2006		S	5,200	D	$ 57.42	141,583,304	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LILLY ENDOWMENT INC 2801 NORTH MERIDIAN STREET INDIANAPOLIS, IN 46208-0068		X		

Signatures

by:/s/Diane M. Stenson, Treasurer on behalf of Lilly Endowment, Inc. — 10/26/2006

**Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Remarks:

This is the first of two Forms 4 filed by the Reporting Person on same date, October 26, 2006, representing transactions #1 thr

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4,252

(100.0
)
Total operating expenses
515,962

455,641

13.2

1,005,224

913,589

10.0

Operating (loss) income
$
(444,000
)

$
(66,886
)

563.8

$
(455,254
)

$
118,957

(482.7
)

(a) Includes Upper Devonian wells.
(b) Includes 3,842 and 7,795 MMcfe of deep Utica sales volume for the three and six months ended June 30, 2016, respectively.
(c) NGLs and crude oil were converted to Mcfe at the rate of six Mcfe per barrel for all periods.

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EQT Corporation and Subsidiaries
Management’s Discussion and Analysis of Financial Condition and Results of Operations

Three Months Ended June 30, 2016 vs. Three Months Ended June 30, 2015

EQT Production’s operating loss totaled $444.0 million for the three months ended June 30, 2016 compared to operating loss of $66.9 million for the three months ended June 30, 2015. The $377.1 million decrease in operating income was primarily due to losses on derivatives not designated as hedges in the current year, a lower average realized price and increased operating expenses, partly offset by increased sales of produced natural gas.

Total operating revenues were $72.0 million for the three months ended June 30, 2016 compared to $388.8 million for the three months ended June 30, 2015. The $316.8 million decrease in operating revenues was primarily due to losses on derivatives not designated as hedges in the current year, a 23% decrease in the average realized price and a decrease in net marketing services, partly offset by a 26% increase in production sales volumes in the current year.

The components of average realized price, which includes the effects of cash settled derivatives, are outlined in the table on page 27. The $0.64 per Mcfe decrease in the average realized price for the three months ended June 30, 2016 was primarily due to the decrease in the average NYMEX natural gas price including the impact of cash settled derivatives of $0.83 per Mcf and lower NGL prices, partly offset by an increase in the average natural gas differential of $0.19 per Mcf. The increase in the average differential primarily related to favorable Appalachian Basin basis, partly offset by the unfavorable impact of changes in natural gas prices on sale contracts with fixed differentials to NYMEX and fixed price sale contracts.

Net marketing services includes both the cost of and recoveries on third-party pipeline capacity not used to transport the Company's produced volumes. The $7.7 million decrease in these revenues primarily related to costs, net of recoveries, for the Company's Rockies Express Pipeline capacity contract that started in the third quarter of 2015 and reduced spreads on the Company's Tennessee Gas Pipeline capacity.

The increase in production sales volumes was primarily the result of increased production from the 2014 and 2015 drilling programs, primarily in the Marcellus play. This increase was partially offset by the normal production decline in the Company’s producing wells.

Total operating revenues for the three months ended June 30, 2016 included a $234.7 million loss on derivatives not designated as hedges compared to a gain of $5.2 million for the three months ended June 30, 2015. The losses for the three months ended June 30, 2016 primarily related to unfavorable changes in the fair market value of EQT Production’s NYMEX swaps due to an increase in forward NYMEX prices during the second quarter of 2016. EQT Production received $86.1 million and $32.1 million of net cash settlements for derivatives not designated as hedges for the three months ended June 30, 2016 and 2015, respectively. These net cash settlements are included in the average realized price discussion above.

Operating expenses totaled $516.0 million for the three months ended June 30, 2016 compared to $455.6 million for the three months ended June 30, 2015. The increase in operating expenses was the result of increases in DD&A, gathering expense, transmission expense, SG&A expense, processing expense and production taxes, partly offset by a decrease in exploration expense. The increase in DD&A expense was the result of higher produced volumes partly offset by a lower overall depletion rate in the current year. Gathering expenses increased by $12.9 million due to increased affiliate firm capacity and volumetric charges and increased $6.7 million due to increased third-party volumetric charges. Transmission expenses increased by $11.3 million primarily due to increased affiliate volumetric costs and increased third-party costs incurred to move EQT Production’s natural gas out of the Appalachian Basin. However, the per unit gathering and transmission expenses decreased as sales volumes increased more than gathering and transmission expenses. The increase in SG&A expense was primarily due to a $6.6 million increase in legal reserves, a charge of $1.7 million related to the termination of the EQT Corporation Retirement Plan for Employees and a $1.3 million increase to the reserve for uncollectible accounts partly offset by $1.7 million of lower personnel costs. Processing expense increased $3.9 million due to increased production volumes. The increase in production taxes was primarily due to a change in assessment for prior periods and higher production sales volumes in certain jurisdictions subject to these taxes. Exploration expense decreased $7.8 million primarily due to decreased impairments of unproved lease acreage resulting from lease expirations during the second quarter 2016 compared to the second quarter 2015.

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Six Months Ended June 30, 2016 vs. Six Months Ended June 30, 2015

EQT Production’s operating loss totaled $455.3 million for the six months ended June 30, 2016 compared to operating income of $119.0 million for the six months ended June 30, 2015. The $574.2 million decrease in operating income was primarily due to a lower average realized price, losses on derivatives not designated as hedges in the current year and increased operating expenses, partly offset by increased sales of produced natural gas.

Total operating revenues were $550.0 million for the six months ended June 30, 2016 compared to $1,032.5 million for the six months ended June 30, 2015. The $482.6 million decrease in operating revenues was primarily due to a 30% decrease in the average realized price, losses on derivatives not designated as hedges in the current year and a decrease in net marketing services, partly offset by a 25% increase in production sales volumes in the current year.

The $1.03 per Mcfe decrease in the average realized price for the six months ended June 30, 2016 was primarily due to the decrease in the average NYMEX natural gas price including the impact of cash settled derivatives of $0.93 per Mcf, lower NGL prices and a decrease in the average natural gas differential of $0.09 per Mcf . The decrease in the average differential primarily related to lower basis, partly offset by favorable cash settled basis swaps. Market prices in the United States Northeast region were significantly lower in the first quarter of 2016 compared to the first quarter of 2015 due to reduced demand attributable to warmer than normal weather conditions. Appalachian Basin basis increased in the second quarter of 2016 compared to the second quarter of 2015, which partly offset the unfavorable changes from the first quarter of 2016 compared to the first quarter of 2015.

Net marketing services includes both the cost of and recoveries on third-party pipeline capacity not used to transport the Company's produced volumes. The $16.3 million decrease in these revenues primarily related to costs, net of recoveries, for the Company's Rockies Express Pipeline capacity contract that started in the third quarter of 2015, reduced spreads on the Company's Tennessee Gas Pipeline capacity and increased storage costs in the current year.

The increase in production sales volumes was primarily the result of increased production from the 2014 and 2015 drilling programs, primarily in the Marcellus play. This increase was partially offset by the normal production decline in the Company’s producing wells.

Total operating revenues for the six months ended June 30, 2016 included a $125.7 million loss on derivatives not designated as hedges compared to a gain of $49.4 million for the six months ended June 30, 2015. The losses for the six months ended June 30, 2016 primarily related to unfavorable changes in the fair market value of EQT Production’s NYMEX swaps due to an increase in forward NYMEX prices during the first half of 2016. EQT Production received $195.2 million million and $36.5 million of net cash settlements for derivatives not designated as hedges for the six months ended June 30, 2016 and 2015, respectively. These net cash settlements are included in the average realized price discussion above.

Operating expenses totaled $1,005.2 million for the six months ended June 30, 2016 compared to $913.6 million for the six months ended June 30, 2015. The increase in operating expenses was the result of increases in DD&A and gathering, transmission and processing expenses, partly offset by decreases in exploration expense, impairment of long-lived assets, LOE and production taxes. The increase in DD&A expense was the result of higher produced volumes partly offset by a lower overall depletion rate in the current year. Gathering expenses increased by $27.8 million due to increased affiliate firm capacity and volumetric costs and increased $11.8 million due to increased third-party volumetric costs. Transmission expenses increased by $23.1 million primarily due to increased affiliate volumetric costs and increased third-party costs incurred to move EQT Production’s natural gas out of the Appalachian Basin. However, the per unit gathering expenses decreased as sales volumes increased more than gathering expenses.

Processing expense increased $5.5 million consistent with the Company's production volume growth. Exploration expense decreased $17.3 million primarily due to decreased impairments of unproved lease acreage resulting from lease expirations during the first half of 2016 compared to the first half of 2015. Impairment of long-lived assets decreased due to a proved property impairment of the Utica Shale in Ohio of $4.3 million incurred during the first half of 2015. The decrease in LOE of $2.1 million was primarily due to decreased salt water disposal costs as a result of increased recycling in the Marcellus Shale. The decrease in production taxes was primarily driven by lower property taxes due to a change in assessment for prior periods in the first six months of 2015. SG&A expense was flat year over year but included various offsetting items, including $5.8 million of increased legal reserves, $2.0 million of costs related to the consolidation of the Company's Huron operations, a $1.8 million increase to the reserve for uncollectible accounts and a charge of $1.7 million related to the termination of the EQT Corporation Retirement Plan for Employees incurred during the first half of 2016. This was offset by $6.8 million for drilling program reduction charges in the Permian and Huron Basins including rig release penalties incurred during the first half of 2015 and decreased professional services costs and personnel costs incurred during the first half of 2016.

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EQT MIDSTREAM

RESULTS OF OPERATIONS

	Three Months Ended June 30,			Six Months Ended June 30,		
	2016	2015	%	2016	2015	%
OPERATIONAL DATA						
Operating revenues (thousands):						
Gathering						
Firm reservation fee revenues	$84,849	$68,290	24.2	$168,145	$126,664	32.7
Volumetric based fee revenues:						
Usage fees under firm contracts (a)	11,103	7,203	54.1	21,856	16,752	30.5
Usage fees under interruptible contracts	40,458	47,837	(15.4)	83,363	108,853	(23.4)
Total volumetric based fee revenues	51,561	55,040	(6.3)	105,219	125,605	(16.2)
Total gathering revenues	$136,410	$123,330	10.6	$273,364	$252,269	8.4
Transmission						
Firm reservation fee revenues	$53,329	$50,091	6.5	$116,670	$111,945	4.2
Volumetric based fee revenues:						
Usage fees under firm contracts (a)	14,109	10,002	41.1	27,333	18,577	47.1
Usage fees under interruptible contracts	2,278	990	130.1	4,874	2,525	93.0
Total volumetric based fee revenues	16,387	10,992	49.1	32,207	21,102	52.6
Total transmission revenues	$69,716	$61,083	14.1	$148,877	$133,047	11.9
Storage, marketing and other revenues	8,172	8,017	1.9	16,786	15,340	9.4
Total operating revenues	$214,298	$192,430	11.4	$439,027	$400,656	9.6
Gathered volumes (BBtu per day):						
Firm reservation	1,532	1,136	34.9	1,478	1,052	40.5
Volumetric based services (b)	862	870	(0.9)	881	978	(9.9)
Total gathered volumes	2,394	2,006	19.3	2,359	2,030	16.2
Gathering and compression expense ($/MMBtu)	$0.10	$0.13	(23.1)	$0.10	$0.12	(16.7)
Transmission pipeline throughput (BBtu per day):						
Firm capacity reservation	1,486	1,825	(18.6)	1,554	1,924	(19.2)
Volumetric based services (b)	570	257	121.8	528	236	123.7
Total transmission pipeline throughput	2,056	2,082	(1.2)	2,082	2,160	(3.6)
Average contracted firm transmission reservation commitments (BBtu per day)	2,386	2,362	1.0	2,703	2,655	1.8
Capital expenditures (thousands)	$201,211	$164,542	22.3	$342,131	$237,117	44.3
FINANCIAL DATA (thousands)						
Total operating revenues	$214,298	$192,430	11.4	$439,027	$400,656	9.6
Operating expenses:						

Operation and maintenance (O&M)	29,487	34,894	(15.5)	61,295	64,708	(5.3)
SG&A	33,605	25,951	29.5	58,334	51,429	13.4
DD&A	26,678	23,393	14.0	53,011	46,588	13.8
Total operating expenses	89,770	84,238	6.6	172,640	162,725	6.1
Operating income	$124,528	$108,192	15.1	$266,387	$237,931	12.0

(a) Includes commodity charges and fees on volumes gathered or transported in excess of firm contracted capacity.

(b) Includes volumes gathered or transported under interruptible contracts and volumes in excess of firm contracted capacity.

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Three Months Ended June 30, 2016 vs. Three Months Ended June 30, 2015

EQT Midstream's operating income totaled $124.5 million for the three months ended June 30, 2016 compared to $108.2 million for the three months ended June 30, 2015. The increase in operating income was primarily the result of increased gathering and transmission operating revenues partly offset by increased operating expenses.

Gathering revenues increased by $13.1 million primarily as a result of higher affiliate volumes gathered for the three months ended June 30, 2016 compared to the three months ended June 30, 2015, driven by increased affiliate production development in the Marcellus Shale, partly offset by reduced affiliate volumes in the Huron shale. EQT Midstream increased firm reservation fee revenues for the three months ended June 30, 2016 compared to the three months ended June 30, 2015 as a result of increased capacity under firm contracts with affiliates. The decrease in usage fees under interruptible contracts was primarily due to affiliates contracting for additional firm capacity and the reduced volumes in the Huron shale.

Transmission revenues increased by $8.6 million for the three months ended June 30, 2016 compared to the three months ended June 30, 2015, driven by production development in the Marcellus Shale by affiliate and third party producers, which resulted in higher volumetric based fee revenues and higher revenues from contracted firm capacity. Reduced firm capacity reservation throughput for the three months ended June 30, 2016 compared to the three months ended June 30, 2015 reflected reduced volumes from third party producers. This reduction did not have a significant impact on firm reservation fee revenues.

Total operating expenses increased by $5.5 million for the three months ended June 30, 2016 compared to the three months ended June 30, 2015. SG&A expense increased $7.7 million for the three months ended June 30, 2016 as compared to the three months ended June 30, 2015 primarily due to expense recorded in connection with the termination of the EQT Corporation Retirement Plan for Employees of $7.7 million and $1.2 million of increased allocated expenses from affiliates, partly offset by lower personnel costs. DD&A increased $3.3 million as a result of additional assets placed in-service. O&M expense decreased $5.4 million primarily as a result of a $2.5 million decrease in purchased gas costs relating to lower gas prices and $1.6 million of lower compressor and pipeline operating costs due to timing of expenses.

Six Months Ended June 30, 2016 vs. Six Months Ended June 30, 2015

EQT Midstream's operating income totaled $266.4 million for the six months ended June 30, 2016 compared to $237.9 million for the six months ended June 30, 2015. The increase in operating income was the result of increased gathering and transmission and storage, marketing and other operating revenues partly offset by increased operating expenses.

Gathering revenues increased by $21.1 million primarily as a result of higher affiliate volumes gathered for the six months ended June 30, 2016 compared to the six months ended June 30, 2015, driven by production development in the Marcellus Shale partly offset by reduced volumes in the Huron shale. EQT Midstream increased firm reservation fee revenues for the six months ended June 30, 2016 compared to the six months ended June 30, 2015 as a result of increased capacity under firm contracts with affiliates. The decrease in usage fees was primarily due to affiliates contracting for additional firm capacity and the reduced volumes in the Huron shale.

Transmission revenues increased by $15.8 million for the six months ended June 30, 2016 compared to the six months ended June 30, 2015, driven by production development in Marcellus Shale by affiliate and third party producers which resulted in higher usage fees under firm and interruptible contracts and higher contracted firm capacity.

Reduced firm capacity reservation throughput for the six months ended June 30, 2016 compared to the six months ended June 30, 2015 reflected reduced volumes from third party producers. This reduction did not have a significant impact on firm reservation fee revenues.

Total operating expenses increased by $9.9 million for the six months ended June 30, 2016 compared to the six months ended June 30, 2015. SG&A expense increased $6.9 million as compared to the six months ended June 30, 2015 due to $7.7 million of expense recorded in connection with the termination of the EQT Corporation Retirement Plan for Employees and increased allocated expenses from affiliates, partly offset by $1.9 million related to the impairment of certain expiring right of way options in 2015. DD&A increased $6.4 million as a result of additional assets placed in-service. O&M expense decreased $3.4 million primarily as a result of a $3.0 million decrease in purchased gas costs relating to lower gas prices and lower property taxes partly offset by $1.9 million of expense relating to the consolidation of the Company's Huron operations.

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EQT Corporation and Subsidiaries
Management's Discussion and Analysis of Financial Condition and Results of Operations

OUTLOOK

The Company is committed to profitably developing its natural gas and NGL reserves through environmentally responsible, cost-effective and technologically advanced horizontal drilling. The Company's revenues, earnings, liquidity and ability to grow are substantially dependent on the prices it receives for, and the Company's ability to develop its reserves of, natural gas and NGLs as well as gathering and transmission revenues from third parties, which represented 12% of the Company's consolidated revenues for the six months ended June 30, 2016. Despite the continued depressed price environment for natural gas and NGLs, the Company believes the long-term outlook for its business is favorable due to the Company's large resource base, low cost structure, financial strength, risk management, including commodity hedging strategy, and disciplined investment of capital. The Company believes the combination of these factors provide it with an opportunity to exploit and develop its positions and maximize efficiency through economies of scale in its strategic operating area.

Total capital investment by EQT in 2016, excluding acquisitions, is expected to be approximately $1.8 billion (including EQM). The Company plans to accelerate its drilling program for the second half of 2016 by spudding an additional 63 wells - 33 Pennsylvania Marcellus wells and 30 Upper Devonian wells for a total of 140 gross wells, including 135 Marcellus and Upper Devonian wells and 5 deep Utica wells. The 2016 capital expenditure forecast, excluding acquisitions and EQM capital investments, of $1.0 billion is unchanged, as lower costs per well offset the costs of increased activity. Estimated sales volumes are expected to be 730 - 740 Bcfe, for an anticipated production sales volume growth of approximately 22% in 2016, while NGL volumes are expected to be 11,000 - 11,500 Mbbls. To support continued growth in production, the Company plans to invest approximately $800 million on midstream infrastructure in 2016, primarily through EQM.

The market prices for natural gas and NGLs were depressed throughout 2015 and the first half of 2016. The market price for natural gas in the Appalachian Basin continues to be lower relative to NYMEX Henry Hub as a result of the significant increases in the supply of natural gas in the Northeast region in recent years. Due to the volatility of commodity prices, the Company is unable to predict future potential movements in the market prices for natural gas, including Appalachian basis, and NGLs and thus cannot predict the ultimate impact of prices on its operations. Low prices may signal a need to reduce capital spending or record non-cash impairments in the book value of the Company's gas properties and midstream assets or make downward adjustments to the Company's estimated proved reserves. Any such impairment and/or downward adjustment to the Company's estimated reserves could potentially be material to the Company. A decline in the average five-year forward realized prices in a future period may cause the Company to recognize a significant impairment on the assets in the Huron play, which had a carrying value of approximately $3 billion at June 30, 2016.

See "Impairment of Oil and Gas Properties" and "Critical Accounting Policies and Estimates" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015 for a discussion of the Company's accounting policies and significant assumptions related to accounting for oil and gas producing activities, and the Company's policies and processes with respect to impairment reviews for proved and unproved property.

Although the Company completed the Statoil acquisition on July 8, 2016, the Company continues to pursue transactions that would add to its Marcellus and Utica positions. The Company would consider purchasing assets or companies with assets of various sizes within those positions. The Company is evaluating a number of potential asset packages and transactions and is in discussions with a number of potential sellers.

The Company continues to focus on creating and maximizing shareholder value through the implementation of a strategy that economically monetizes its asset base and prudently pursues investment opportunities, all while maintaining a strong balance sheet with solid cash flow. The Company monitors current and expected market conditions, including the commodity price environment, and its liquidity needs and may adjust its capital investment plan accordingly. While the tactics continue to evolve based on market conditions, the Company periodically considers arrangements to monetize the value of certain mature assets for re-deployment into its highest value development opportunities.

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CAPITAL RESOURCES AND LIQUIDITY

Overview

The Company’s primary sources of cash for the six months ended June 30, 2016 were proceeds from the public offerings of EQT common stock and cash flows from operating activities, while the primary use of cash was for capital expenditures.

Operating Activities

Net cash flows provided by operating activities totaled $493.4 million for the six months ended June 30, 2016 compared to $656.0 million for the six months ended June 30, 2015. The $162.6 million decrease in cash flows provided by operating activities was primarily the result of a 30% lower average realized price on natural gas and NGL sales, partially offset by a 25% increase in production sales volume, a decrease in cash paid for income taxes and increased gathering and transmission revenues.

While the Company is unable to predict future movements in the market price for commodities, current prices are lower than average 2015 levels. If the current low price trend continues, this trend will negatively impact the Company's cash flows from operating activities.

Investing Activities

Net cash flows used in investing activities totaled $859.9 million for the six months ended June 30, 2016 compared to $1,366.9 million for the six months ended June 30, 2015. The $507.0 million decrease was primarily due to a decrease in capital expenditures of $499.3 million, a decrease in capital contributions made to Mountain Valley Pipeline, LLC (MVP Joint Venture) of $5.2 million, and the sale of an interest in the MVP Joint Venture of $12.5 million in the second quarter of 2016, partially offset by a cash deposit made during the second quarter of 2016 for the Statoil acquisition of $10.0 million. The decrease in capital expenditures in 2016 compared to 2015 was primarily the result of a decrease in well development and acreage acquisition expenditures. The decrease in well development capital expenditures was primarily due to a reduction in the drilling and completions program activity over the last twelve months.

On July 8, 2016, the Company acquired approximately 62,500 net acres primarily in Wetzel, Tyler, and Harrison Counties of West Virginia, from Statoil USA Onshore Properties, Inc. (Statoil) in exchange for cash of approximately $407.0 million, subject to post-closing purchase price adjustments. The acreage includes current natural gas production of approximately 50 MMcfe per day. The acquisition also includes drilling rights on an estimated 53,000 net acres that are undeveloped and prospective for the deep Utica.

The Company spud 44 gross wells in the first half of 2016, including 42 horizontal Marcellus wells and 2 horizontal Utica wells. The Company spud 97 gross wells in the first half of 2015, including 95 horizontal Marcellus and Upper Devonian wells and 2 horizontal Permian Basin wells.

Capital expenditures as reported on the Statement of Condensed Consolidated Cash Flows for the six months ended June 30, 2016 and 2015 included a portion of non-cash stock-based compensation expense and the impact of capital accruals. The capital accrual impact included reversal of the prior period accrual as well as the current period estimate, both of which are non-cash items. The impact of these non-cash items was $(8.8) million and $(80.0) million for the six months ended June 30, 2016 and 2015, respectively.

Financing Activities

Net cash flows provided by financing activities totaled $1,022.2 million for the six months ended June 30, 2016 compared to $1,591.6 million for the six months ended June 30, 2015, a decrease of $569.4 million between periods. During the first half of 2016, the Company received net proceeds of $1,226.0 million from its public offerings of common stock and net proceeds of $217.1 million from EQM's public offerings of common units under the $750 million ATM Program. EQM made $299.0 million of net credit facility repayments under its credit facility during the first half of 2016. EQM and EQGP also paid distributions to noncontrolling interests of $87.9 million. The Company paid $26.2 million for income tax withholdings related to the vesting of equity awards during the six months ended June 30, 2016. Under the Company’s share-based incentive awards, the Company regularly withholds shares or accepts surrendered shares from Company employees holding incentive compensation awards in satisfaction of the income tax withholding obligations with respect to settlement of the awards.

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EQT Corporation and Subsidiaries
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During the six months ended ended June 30, 2015, EQM received net proceeds of $696.6 million from its public offering of common units and $312.0 million from increased net borrowings on its credit facility, and paid distributions to noncontrolling interests of $52.7 million. The Company also received net proceeds of $674.4 million from EQGP's IPO and paid $44.9 million for income tax withholdings related to the vesting or exercise of equity awards during the six months ended June 30, 2015.

The Company may from time to time seek to repurchase its outstanding debt securities. Such repurchases, if any, will depend on prevailing market conditions, the Company's liquidity requirements and contractual and legal restrictions and other factors.

Security Ratings and Financing Triggers

The table below reflects the credit ratings for debt instruments of the Company at June 30, 2016. Changes in credit ratings may affect the Company's cost of short-term and long-term debt (including interest rates and fees under its lines of credit); collateral requirements under derivative instruments, pipeline capacity contracts, joint venture arrangements, and subsidiary construction contracts; and access to the credit markets.

Rating Service	Senior Notes	Outlook
Moody's Investors Service	Baa3	Stable
Standard & Poor's Ratings Service	BBB	Stable
Fitch Ratings Service	BBB-	Stable

The table below reflects the credit ratings for debt instruments of EQM at June 30, 2016. Changes in credit ratings may affect EQM's cost of short-term and long-term debt (including interest rates and fees under its lines of credit); collateral requirements under joint venture arrangements and construction contracts; and access to the credit markets.

Rating Service	Senior Notes	Outlook
Moody's Investors Service	Ba1	Stable
Standard & Poor's Ratings Service	BBB-	Stable
Fitch Ratings Service	BBB-	Stable

The Company's and EQM's credit ratings are subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating. The Company and EQM cannot ensure that a rating will remain in effect for any given period of time or that a rating will not be lowered or withdrawn by a credit rating agency if, in its judgment, circumstances so warrant. If any credit rating agency downgrades the ratings, particularly below investment grade, the Company's or EQM's access to the capital markets may be limited, borrowing costs and margin deposits on the Company's derivative contracts would increase, counterparties may request additional assurances, including collateral, and the potential pool of investors and funding sources may decrease. The required margin on the Company's derivative instruments is also subject to significant change as a result of factors other than credit rating, such as gas prices and credit thresholds set forth in agreements between the hedging counterparties and the Company. Investment grade refers to the quality of a company's credit as assessed by one or more credit rating agencies. In order to be considered investment grade, a company must be rated BBB- or higher by Standard & Poor's Rating Service, Baa3 or higher by Moody's Investors Service, and BBB- or higher by Fitch Ratings Service. Anything below these ratings is considered non-investment grade.

The Company has a $1.5 billion credit facility that expires in February 2019, and the Company had no amounts outstanding under the facility as of June 30, 2016. The Company's debt agreements and other financial obligations contain various provisions that, if not complied with, could result in termination of the agreements, require early payment of amounts outstanding or similar actions. The most significant covenants and events of default under the debt agreements relate to maintenance of a debt-to-total capitalization ratio, limitations on transactions with affiliates, insolvency events, nonpayment of scheduled principal or interest payments, acceleration of other financial obligations and change of control provisions. The Company's credit facility contains financial covenants that require a total debt-to-total capitalization ratio of no greater than 65%. The calculation of this ratio excludes the effects of accumulated other comprehensive income (OCI). As of June 30, 2016, the Company was in compliance with all debt provisions and covenants.

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EQM has a $750 million credit facility that expires in February 2019, and EQM had no outstanding borrowings under the facility as of June 30, 2016. EQM's debt agreements and other financial obligations contain various provisions that, if not complied with, could result in termination of the agreements, require early payment of amounts outstanding or similar actions. The covenants and events of default under the debt agreements relate to maintenance of permitted leverage ratio, limitations on transactions with affiliates, limitations on restricted payments, insolvency events, nonpayment of scheduled principal or interest payments, acceleration of and certain other defaults under other financial obligations and change of control provisions. Under EQM's credit facility, EQM is required to maintain a consolidated leverage ratio of not more than 5.00 to 1.00 (or not more than 5.50 to 1.00 for certain measurement periods following the consummation of certain acquisitions). As of June 30, 2016, EQM was in compliance with all debt provisions and covenants.

EQM ATM Program

During 2015, EQM entered into an equity distribution agreement that established an "At the Market" (ATM) common unit offering program, pursuant to which a group of managers acting as EQM's sales agents may sell EQM common units having an aggregate offering price of up to $750 million. EQM had approximately $443 million in remaining capacity under the program as of July 28, 2016.

Commodity Risk Management

The substantial majority of the Company's commodity risk management program is related to hedging sales of the Company's produced natural gas. The Company's overall objective in this hedging program is to protect cash flow from undue exposure to the risk of changing commodity prices. The derivative commodity instruments currently utilized by the Company are primarily NYMEX swaps and collars.

As of July 26, 2016, the approximate volumes and prices of the Company's derivative commodity instruments hedging sales of produced gas for 2016 through 2018 were:

NYMEX Swaps	2016 (a)(b)	2017 (b)(c)	2018 (b)(c)
Total Volume (Bcf)	156	229	103
Average Price per Mcf (NYMEX) (d)	$ 3.61	$ 3.31	$ 3.13
Collars			
Total Volume (Bcf)	—	17	—
Average Floor Price per Mcf (NYMEX) (d)	$ —	$ 2.98	$ —
Average Cap Price per Mcf (NYMEX) (d)	$ —	$ 3.92	$ —

(a) July through December 31.
(b) The Company also sold calendar year 2016, 2017 and 2018 calls for approximately 11 Bcf, 32 Bcf and 16 Bcf at strike prices of $3.65 per Mcf, $3.53 per Mcf and $3.50 per Mcf, respectively.
(c) For 2017 and 2018, the Company sold puts for approximately 3 Bcf at a strike price of $2.63 per Mcf.
(d) The average price is based on a conversion rate of 1.05 MMBtu/Mcf.

The Company also enters into fixed price natural gas sales agreements that are satisfied by physical delivery, which are included in average differential on the Company's Price Reconciliation. The Company has fixed price physical sales for the remainder of 2016 and 2017 of 20 Bcf and 21 Bcf at average prices of $3.00 per Mcf and $2.95 per Mcf, respectively. For 2016 through 2018, the Company has a natural gas sales agreement for approximately 35 Bcf per year that includes a NYMEX ceiling price of $4.88 per Mcf. For 2018, the Company has a natural gas sales agreement for approximately 7 Bcf per year that includes a NYMEX floor price of $2.16 per Mcf and a ceiling price of $4.47 per Mcf. The Company has also entered into derivative instruments to hedge basis and a limited number of contracts to hedge its NGL exposure. The Company may also use other contractual agreements in implementing its commodity hedging strategy.

See Item 3, “Quantitative and Qualitative Disclosures About Market Risk,” and Note G to the Company’s Condensed Consolidated Financial Statements for further discussion of the Company’s hedging program.

Commitments and Contingencies

In the ordinary course of business, various legal and regulatory claims and proceedings are pending or threatened against the Company. While the amounts claimed may be substantial, the Company is unable to predict with certainty the ultimate outcome of such claims and proceedings. The Company accrues legal and other direct costs related to loss contingencies when actually incurred. The Company has established reserves it believes to be appropriate for pending matters and, after consultation with counsel and giving appropriate consideration to available insurance, the Company believes that the ultimate outcome of any matter currently pending against the Company will not materially affect the Company's financial position, results of operations or liquidity.

Off-Balance Sheet Arrangements

As of June 30, 2016, EQM had issued a $91 million performance guarantee (the Initial Guarantee) in connection with the obligations of MVP Holdco, LLC (MVP Holdco) to fund its proportionate share of the construction budget for the MVP. Upon the Federal Energy Regulatory Commission's initial release to begin construction of the MVP, the Initial Guarantee will terminate, and EQM will be obligated to issue a new guarantee in an amount equal to 33% of MVP Holdco's remaining obligations to make capital contributions to the MVP Joint Venture in connection with the then remaining construction budget, less, subject to certain limits, any credit assurances issued by an affiliate of EQM under such affiliate's precedent agreement with the MVP Joint Venture.

Dividend

On July 13, 2016, the Board of Directors of the Company declared a regular quarterly cash dividend of three cents per share, payable September 1, 2016, to the Company's shareholders of record at the close of business on August 12, 2016.

On July 26, 2016, the Board of Directors of EQGP's general partner declared a cash distribution to EQGP's unitholders for the second quarter of 2016 of $0.15 per common unit, or approximately $39.9 million. The distribution will be paid on August 22, 2016 to unitholders of record, including the Company, at the close of business on August 5, 2016.

On July 26, 2016, the Board of Directors of EQM's general partner declared a cash distribution to EQM's unitholders for the second quarter of 2016 of $0.78 per common unit. The cash distribution will be paid on August 12, 2016 to unitholders of record, including EQGP, at the close of business on August 5, 2016. Based on the 80,581,758 EQM common units outstanding on July 28, 2016, the aggregate cash distributions by EQM to EQGP would be approximately $40.8 million consisting of: $17.0 million in respect of its limited partner interest, $1.6 million in respect of its general partner interest and $22.2 million in respect of its incentive distribution rights. The distributions to EQGP in respect of its general partner interest and incentive distribution rights in EQM are subject to change if EQM issues additional common units on or prior to the record date for the second quarter 2016 distribution.

Critical Accounting Policies

The Company's critical accounting policies are described in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2015. Any new accounting policies or updates to existing accounting policies as a result of new accounting pronouncements have been included in the notes to the Company's Condensed Consolidated Financial Statements contained in this Quarterly Report on Form 10-Q for the three and six month periods ended June 30, 2016. The application of the Company's critical accounting policies may require management to make judgments and estimates about the amounts reflected in the Condensed Consolidated Financial Statements. Management uses historical experience and all available information to make these estimates and judgments. Different amounts could be reported using different assumptions and estimates.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Price Risk and Derivative Instruments

The Company's primary market risk exposure is the volatility of future prices for natural gas and NGLs. The market price for natural gas in the Appalachian Basin continues to be lower relative to NYMEX Henry Hub as a result of the significant increases in the supply of natural gas in the Northeast region in recent years. Due to the volatility of commodity prices, the Company is unable to predict future potential movements in the market prices for natural gas, including Appalachian basis, and NGLs and thus cannot predict the ultimate impact of prices on its operations. Prolonged low, and/or significant or extended declines in, natural gas and NGL prices could adversely affect, among other things, the Company's development plans, which could decrease the pace of development and the level of the Company's reserves. Such changes or similar impacts on third party shippers on the Company's midstream assets could also impact the Company's revenues, earnings or liquidity and could result in a material non-cash impairment in the recorded value of the Company's property, plant and equipment.

The Company's use of derivatives to reduce the effect of commodity price volatility is further described in Note G to the Condensed Consolidated Financial Statements and under the caption "Commodity Risk Management" in the "Capital Resources and Liquidity" section of Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Quarterly Report on Form 10-Q. The Company uses derivative commodity instruments that are placed primarily with financial institutions and the creditworthiness of these institutions is regularly monitored. The Company primarily enters into derivative instruments to hedge forecasted sales of production. The Company also enters into derivative instruments to hedge basis and exposure to fluctuations in interest rates. The Company's use of derivative instruments is implemented under a set of policies approved by the Company's Hedge and Financial Risk Committee and reviewed by the Audit Committee of the Company's Board of Directors.

For the derivative commodity instruments used to hedge the Company's forecasted sales of production, most of which are hedged at NYMEX natural gas prices, the Company sets policy limits relative to the expected production and sales levels which are exposed to price risk. The Company has an insignificant amount of financial natural gas derivative commodity instruments for trading purposes.

The derivative commodity instruments currently utilized by the Company are primarily fixed price swap agreements and collar agreements which may require payments to or receipt of payments from counterparties based on the differential between two prices for the commodity. The Company may also use other contractual agreements in implementing its commodity hedging strategy.

The Company monitors price and production levels on a continuous basis and makes adjustments to quantities hedged as warranted. The Company's overall objective in its hedging program is to protect a portion of cash flows from undue exposure to the risk of changing commodity prices.

With respect to the derivative commodity instruments held by the Company, the Company hedged portions of expected sales of equity production, portions of forecasted purchases and sales and portions of its basis exposure covering approximately 656 Bcf of natural gas and 548 Mbbls of NGLs as of June 30, 2016, and 664 Bcf of natural gas as of December 31, 2015. See the "Commodity Risk Management" section in the "Capital Resources and Liquidity" section of Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Quarterly Report on Form 10-Q for further discussion.

A hypothetical decrease of 10% in the market price of natural gas from the June 30, 2016 and December 31, 2015 levels would have increased the fair value of natural gas derivative instruments by approximately $158.1 million and $137.1 million, respectively. A hypothetical increase of 10% in the market price of natural gas from the June 30, 2016 and December 31, 2015 levels would have decreased the fair value of natural gas derivative instruments by approximately $160.4 million and $138.4 million, respectively. The Company determined the change in the fair value of the derivative commodity instruments using a method similar to its normal determination of fair value as described in Note H to the Condensed Consolidated Financial Statements. The Company assumed a 10% change in the price of natural gas from its levels at June 30, 2016 and December 31, 2015. The price change was then applied to the natural gas derivative commodity instruments recorded on the Company’s Consolidated Balance Sheets, resulting in the hypothetical change in fair value.

The above analysis of the derivative commodity instruments held by the Company does not include the offsetting impact that the same hypothetical price movement may have on the Company’s physical sales of natural gas. The portfolio of derivative commodity instruments held to hedge the Company’s forecasted produced gas approximates a portion of the Company’s expected physical sales of natural gas. Therefore, an adverse impact to the fair value of the portfolio of derivative commodity instruments held to hedge the Company’s forecasted production associated with the hypothetical changes in commodity prices referenced above should be offset by a favorable impact on the Company’s physical sales of natural gas, assuming the derivative commodity instruments

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are not closed out in advance of their expected term, the derivative commodity instruments continue to function effectively as hedges of the underlying risk, the anticipated transactions occur as expected and basis does not significantly change.

If the underlying physical transactions or positions are liquidated prior to the maturity of the derivative commodity instruments, a loss on the financial instruments may occur or the derivative commodity instruments might be worthless as determined by the prevailing market value on their termination or maturity date, whichever comes first.

Interest Rate Risk

Changes in interest rates affect the amount of interest the Company, EQGP and EQM earn on cash, cash equivalents and short-term investments and the interest rates the Company and EQM pay on borrowings under their respective revolving credit facilities. All of the Company’s and EQM’s long-term borrowings are fixed rate and thus do not expose the Company to fluctuations in its results of operations or liquidity from changes in market interest rates. Changes in interest rates do affect the fair value of the Company’s and EQM’s fixed rate debt. See Note J to the Condensed Consolidated Financial Statements for further discussion of the Company’s and EQM’s borrowings and Note H to the Condensed Consolidated Financial Statements for a discussion of fair value measurements, including the fair value of long-term debt.

Other Market Risks

The Company is exposed to credit loss in the event of nonperformance by counterparties to derivative contracts. This credit exposure is limited to derivative contracts with a positive fair value, which may change as market prices change. The Company’s over-the-counter (OTC) derivative instruments are primarily with financial institutions and, thus, are subject to events that would impact those companies individually as well as that industry as a whole. The Company utilizes various processes and analyses to monitor and evaluate its credit risk exposures. These include closely monitoring current market conditions, counterparty credit fundamentals and credit default swap rates. Credit exposure is controlled through credit approvals and limits based on counterparty credit fundamentals. To manage the level of credit risk, the Company enters into transactions with financial counterparties that are of investment grade or better, enters into netting agreements whenever possible and may obtain collateral or other security.

Approximately 55%, or $136.6 million, of the Company’s OTC derivative contracts outstanding at June 30, 2016 had a positive fair value. Approximately 95%, or $417.4 million, of the Company’s OTC derivative contracts outstanding at December 31, 2015 had a positive fair value.

As of June 30, 2016, the Company was not in default under any derivative contracts and had no knowledge of default by any counterparty to its derivative contracts. The Company made no adjustments to the fair value of derivative contracts due to credit related concerns outside of the normal non-performance risk adjustment included in the Company’s established fair value procedure. The Company monitors market conditions that may impact the fair value of derivative contracts reported in the Consolidated Balance Sheets.

The Company is also exposed to the risk of nonperformance by credit customers on physical sales or transportation of natural gas. A significant amount of revenues and related accounts receivable of EQT Production are generated from the sale of produced natural gas and NGLs to certain marketers, utility and industrial customers located mainly in the Appalachian Basin and the Northeastern United States as well as the Permian Basin of Texas and a gas processor in Kentucky and West Virginia. Additionally, a significant amount of revenues and related accounts receivable of EQT Midstream are generated from the transmission and gathering of natural gas in Kentucky, Virginia, Pennsylvania and

West Virginia.

The Company has a $1.5 billion revolving credit facility that expires in February 2019. The credit facility is underwritten by a syndicate of financial institutions, each of which is obligated to fund its pro-rata portion of any borrowings by the Company. As of June 30, 2016, the Company had no borrowings or letters of credit outstanding under the facility. No one lender of the large group of financial institutions in the syndicate holds more than 10% of the facility. The Company's large syndicate group and relatively low percentage of participation by each lender is expected to limit the Company's exposure to problems or consolidation in the banking industry.

EQM has a $750 million revolving credit facility that expires in February 2019. The credit facility is underwritten by a syndicate of financial institutions, each of which is obligated to fund its pro-rata portion of any borrowings by EQM. As of June 30, 2016, EQM had no borrowings or letters of credit outstanding under the credit facility. No one lender of the large group of financial institutions in the syndicate holds more than 10% of the facility. EQM's large syndicate group and relatively low percentage of participation by each lender is expected to limit EQM's exposure to problems or consolidation in the banking industry.

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Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of management, including the Company's Principal Executive Officer and Principal Financial Officer, an evaluation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)), was conducted as of the end of the period covered by this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

There were no changes in internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that occurred during the second quarter of 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, various legal and regulatory claims and proceedings are pending or threatened against the Company. While the amounts claimed may be substantial, the Company is unable to predict with certainty the ultimate outcome of such claims and proceedings. The Company accrues legal and other direct costs related to loss contingencies when actually incurred. The Company has established reserves it believes to be appropriate for pending matters and, after consultation with counsel and giving appropriate consideration to available insurance, the Company believes that the ultimate outcome of any matter currently pending against the Company will not materially affect the financial position, results of operations or liquidity of the Company.

Item 1A. Risk Factors

Information regarding risk factors is discussed in Item 1A, “Risk Factors” of the Company’s Annual Report on Form 10-K for the year ended December 31, 2015. There have been no material changes from the risk factors previously disclosed in the Company’s Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth the Company’s repurchases of equity securities registered under Section 12 of the Exchange Act that have occurred during the three months ended June 30, 2016:

Period	Total number of shares purchased (a)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs (b)
April 2016 (April 1 – April 30)	—	$ —	—	700,000
May 2016 (May 1 – May 31)	2,388	69.85	—	700,000
June 2016 (June 1 – June 30)	—	—	—	700,000
Total	2,388	$ 69.85	—	

(a) Reflects shares withheld by the Company to pay taxes upon vesting of restricted stock.

(b) During 2014, the Company’s Board of Directors approved a share repurchase authorization of up to 1,000,000 shares of the Company’s outstanding common stock. The Company may repurchase shares from time to time in open market or in privately negotiated transactions. The share repurchase authorization does not obligate the Company to acquire any specific number of shares, has no pre-established end date and may be discontinued by the Company at any time. As of June 30, 2016, the Company had repurchased 300,000 shares under this authorization since its inception.

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Item 6. Exhibits

31.01 Rule 13(a)-14(a) Certification of Principal Executive Officer

31.02 Rule 13(a)-14(a) Certification of Principal Financial Officer

32 Section 1350 Certification of Principal Executive Officer and Principal Financial Officer

101 Interactive Data File

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Signature

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

EQT CORPORATION
(Registrant)

By: /s/ Robert J. McNally
Robert J. McNally
Senior Vice President and Chief Financial Officer

Date: July 28, 2016

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INDEX TO EXHIBITS

Exhibit No.	Description	Method of Filing
31.01	Rule 13(a)-14(a) Certification of Principal Executive Officer	Filed herewith as Exhibit 31.01
31.02	Rule 13(a)-14(a) Certification of Principal Financial Officer	Filed herewith as Exhibit 31.02
32	Section 1350 Certification of Principal Executive Officer and Principal Financial Officer	Furnished herewith as Exhibit 32
101	Interactive Data File	Filed herewith as Exhibit 101