

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) AUGUST 28, 1997

CHESAPEAKE ENERGY CORPORATION
(Exact name of Registrant as specified in its Charter)

OKLAHOMA (State or other jurisdiction of incorporation)	1-13726 (Commission File Number)	73-1395733 (IRS Employer Identification No.)
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6100 NORTH WESTERN AVENUE, OKLAHOMA CITY, OKLAHOMA (Address of principal executive offices)	73118 (Zip Code)
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(405) 848-8000
(Registrant's telephone number, including area code)

INFORMATION TO BE INCLUDED IN THE REPORT

ITEM 5. OTHER EVENTS

On August 28, 1997, Chesapeake Energy Corporation ("Chesapeake") issued a press release announcing fiscal 1997 results. The August 28, 1997 press release is filed herewith as Exhibit 99 and incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits. The following exhibit is filed herewith:

99 Press Release issued by the Registrant on August 28, 1997.

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.

CHESAPEAKE ENERGY CORPORATION

BY MARCUS C. ROWLAND
Marcus C. Rowland
Vice President - Chief Financial Officer

Dated: September 3, 1997

EXHIBIT INDEX

EXHIBIT	DESCRIPTION	METHOD OF FILING
99	Press Release issued by the Registrant on August 28, 1997.	Filed herewith electronically

CONTACT: MARC ROWLAND, CHIEF FINANCIAL OFFICER
(405)848-8000, EXT. 232

FOR IMMEDIATE RELEASE
AUGUST 28, 1997

TOM PRICE, JR., VICE PRESIDENT-
CORPORATE DEVELOPMENT
(405)848-8000, EXT. 257

CHESAPEAKE ENERGY CORPORATION
ANNOUNCES FISCAL 1997 RESULTS

OKLAHOMA CITY, OKLAHOMA, AUGUST 28, 1997 -- Chesapeake Energy Corporation (NYSE:CHK) today reported preliminary financial results for the fiscal 1997 year ended June 30, 1997. For the year, Chesapeake expects to report a net loss of \$183 million, or \$2.63 per common share, on total revenue of \$280 million. This loss includes the impact of a \$236 million asset writedown recorded in the fourth quarter under the full cost method of accounting. Excluding the impact of the writedown, net income after extraordinary items for the year was \$28 million, or \$0.40 per common share. By comparison, in fiscal 1996, Chesapeake reported net income of \$23 million, or \$0.40 per common share, on total revenue of \$149 million. Operating cash flow for fiscal 1997 increased 80% to \$163 million compared to \$90 million in fiscal 1996. Additional financial information will be available in Chesapeake's fiscal 1997 Form 10-K, which will be filed prior to September 30, 1997.

PRODUCTION VOLUMES AND RESERVE INFORMATION

During fiscal 1997, Chesapeake's oil and natural gas production totaled 79 billion cubic feet of natural gas equivalent (bcfe), a 31% increase over the 60 bcfe produced in fiscal 1996. During the fourth quarter, Chesapeake produced 21.3 bcfe, a 4% increase over the 20.5 bcfe produced in the fiscal 1997 third quarter and a 21% increase over the 17.6 bcfe produced in the fourth quarter last year.

As of June 30, 1997, Chesapeake's estimated proved reserves were 17.4 million barrels of oil and 299 billion cubic feet of natural gas, or 403 bcfe, a 5% decrease from last year's 425 bcfe of proved reserves. The company's estimated proved undeveloped reserves, particularly in the Knox and Independence areas, were negatively impacted in the fourth quarter by increased development costs and decreased gas prices as of June 30. The present value of the estimated future net revenue attributable to Chesapeake's proved reserves (before income taxes and discounted at 10%) was \$437 million.

FISCAL 1998 BUDGET, CASH RESOURCES, AND INVESTMENT PORTFOLIO

Chesapeake's fiscal 1998 capital expenditure budget is projected to be \$250-275 million. This budget will be funded from the company's fiscal 1998 operating cash flow and the company's June 30, 1997 cash and short term investments of approximately \$200 million. Additionally, during fiscal 1998, the company expects to generate \$100-125 million in cash (and realize \$40-50 million of pre-tax gains) from the sale of its strategic investments in the oil field service and gas gathering and processing industries. As an additional cash resource consideration, none of Chesapeake's debt has scheduled principal payments during the next five years.

Chesapeake's strategic investments consists of three primary assets: (i) 39% ownership of Bayard Drilling Technologies, Inc. (the largest private drilling contractor in the U.S. and fifth largest overall); (ii) 50% interest in the Louisiana Austin Chalk Gathering System (a joint venture with Mitchell Energy and Development Corporation); and (iii) 15.5% interest in the Masters Creek Gas Plant (a joint venture among Union Pacific Resources Corporation, Sonat Inc., Helmerich & Payne, Inc., and OXY USA, Inc.). On August 27, 1997, Bayard filed a registration statement for an initial public offering of its common stock. Chesapeake anticipates selling substantially all of its ownership in Bayard in the IPO.

DRILLING PROGRAM UPDATE

Chesapeake is currently utilizing 25 rigs to conduct its fiscal 1998 drilling program. Of these rigs, 10 are drilling in the Louisiana Trend, 4 are drilling in the Giddings Field, 8 are drilling in southern Oklahoma, 2 are drilling in New Mexico, and 1 is drilling in Montana.

LOUISIANA AUSTIN CHALK TREND UPDATE

In the Louisiana Austin Chalk Trend, Chesapeake is currently drilling 10 gross (8.5 net) wells and is participating in an additional 17 gross (1.4 net) wells operated by others:

Well #	Well Name	Area	Operator	Status
1.	Addison 8	Masters Creek	Chesapeake	Drilling Vertically
2.	Clark 23	St. Landry	Chesapeake	Preparing to Spud
3.	Cypress 1	S. Brookeland	Chesapeake	Drilling Vertically
4.	Giles 22	Masters Creek	Chesapeake	Drilling Horizontally

5.	Labokay 26	Masters Creek	Chesapeake	Drilling Horizontally
6.	Lord 1	Masters Creek	Chesapeake	Drilling Vertically
7.	Lord 25	Masters Creek	Chesapeake	Drilling Horizontally
8.	McRight 11	Masters Creek	Chesapeake	Drilling Horizontally
9.	Rieckers 5	Masters Creek	Chesapeake	Preparing to Spud
10.	Wahlder 29	Masters Creek	Chesapeake	Drilling Horizontally
11.	Harmon 16	Baton Rouge	Union Pacific	Waiting on Pipeline
12.	Crosby 12	Masters Creek	Union Pacific	Waiting on Pipeline
13.	Crosby 13	Masters Creek	Union Pacific	Drilling Horizontally
14.	Crosby "A" 22	Masters Creek	Union Pacific	Drilling Vertically
15.	Crosby 27	Masters Creek	Union Pacific	Drilling Vertically
16.	Exxon 2	Masters Creek	Union Pacific	Drilling Vertically
17.	Johnson 24	Masters Creek	Union Pacific	Drilling Horizontally
18.	Quinn 15	Masters Creek	Union Pacific	Drilling Vertically
19.	Rice Land 14	S. Brookeland	Union Pacific	Completing
20.	Goins 7	Masters Creek	Sonat	Completing
21.	Hudson 2	Masters Creek	Sonat	Drilling Vertically
22.	Maricle 14	Masters Creek	Sonat	Drilling Horizontally
23.	Bullock "A" 5	Masters Creek	OXY	Drilling Vertically
24.	Lambright "A" 4	Masters Creek	OXY	Drilling Vertically
25.	Mid-State "A" 27	Masters Creek	OXY	Drilling Horizontally
26.	Myers 17	St. Landry	Belco	Drilling Vertically
27.	Merrick Estate 10	Baton Rouge	Amoco	Drilling Vertically

Initial production test data from five of Chesapeake's ten drilling wells and eight of the 17 wells operated by others should be available by late September.

To date, 96 wells have been drilled or are drilling in the Louisiana Austin Chalk Trend, of which 66 are located in the Masters Creek area. The tables below summarize the activity currently known to Chesapeake in the Louisiana Trend:

Masters Creek:	Productive	Abandoned	Drilling	Total
Chesapeake	15	1	8	24
Union Pacific	10	2	10	22
Sonat	5	0	5	10
Oxy	7	0	3	10
Belco	0	0	0	0
	--	--	--	--
Masters Creek Industry				
Totals	37	3	26	66
	==	==	==	==

Includes wells producing and waiting on pipeline.

Non-Masters Creek:	Productive	Abandoned	Drilling	Total
Chesapeake	8	6	2	16
Union Pacific	3	1	1	5
Sonat	2	0	0	2
Oxy	1	0	1	2
Belco	3	1	1	5
	--	--	--	--
Non-Masters Creek Industry				
Totals	17	8	5	30
	==	==	==	==

Includes wells producing and waiting on pipeline.

MANAGEMENT COMMENT

Aubrey K. McClendon, Chesapeake's Chief Executive Officer provided the following summary: "While we are obviously disappointed with the financial results of fiscal 1997, we believe our performance in fiscal 1998 will improve. Because of our redirected Austin Chalk drilling program in Louisiana, ongoing developmental drilling campaigns in southern Oklahoma and in Giddings, recent exploration results in the Nesson project in North Dakota and the Lovington project in New Mexico, and exploration initiatives in the Tuscaloosa in Louisiana, the Wilcox in Louisiana and Texas, and the Deep Arbuckle in Oklahoma, we believe fiscal 1998 will mark an important turnaround period for Chesapeake.

We believe the keys to our recovery are in place: \$300 million in cash and expected investment realizations, a re-focused and lower risk drilling program, and an experienced and motivated management team. We look forward to sharing with you our anticipated improvement in corporate performance in fiscal 1998.

Additionally, Chesapeake's Board of Directors has recently approved the repurchase of up to \$50 million of the company's common stock. These purchases may be made from time to time through open market transactions, privately

negotiated transactions, or block trades."

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CHESAPEAKE ENERGY CORPORATION IS AN INDEPENDENT OIL AND NATURAL GAS PRODUCER HEADQUARTERED IN OKLAHOMA CITY WHICH SPECIALIZES IN UTILIZING ADVANCED SEISMIC, DRILLING AND COMPLETION TECHNOLOGIES TO DEVELOP NEW RESERVES OF OIL AND NATURAL GAS. THE COMPANY'S OPERATIONS ARE FOCUSED ON EXPLORATORY AND DEVELOPMENTAL DRILLING IN MAJOR ONSHORE PRODUCING AREAS OF THE UNITED STATES.

THE INFORMATION IN THIS RELEASE INCLUDES CERTAIN FORWARD-LOOKING STATEMENTS THAT ARE BASED ON ASSUMPTIONS THAT IN THE FUTURE MAY PROVE NOT TO HAVE BEEN ACCURATE. THOSE STATEMENTS, AND CHESAPEAKE ENERGY CORPORATION'S BUSINESS AND PROSPECTS, ARE SUBJECT TO A NUMBER OF RISKS, INCLUDING PRODUCTION VARIANCES FROM EXPECTATIONS, VOLATILITY OF OIL AND GAS PRICES, THE NEED TO DEVELOP AND REPLACE ITS RESERVES, THE SUBSTANTIAL CAPITAL EXPENDITURES REQUIRED TO FUND ITS OPERATIONS, ENVIRONMENTAL RISKS, DRILLING AND OPERATING RISKS, RISKS RELATED TO EXPLORATORY AND DEVELOPMENTAL DRILLING, UNCERTAINTIES ABOUT ESTIMATES OF RESERVES, COMPETITION, GOVERNMENT REGULATION, AND THE ABILITY OF THE COMPANY TO IMPLEMENT ITS BUSINESS STRATEGY. THESE AND OTHER RISKS ARE DESCRIBED IN THE COMPANY'S DOCUMENTS AND REPORTS THAT ARE AVAILABLE FROM THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

CHESAPEAKE ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(\$ in 000's, except per share data)
(unaudited)

THREE MONTHS ENDED:	June 30, 1997		June 30, 1996	
	\$	\$/MCFE	\$	\$/MCFE
REVENUES:				
Oil and gas sales	45,354	2.13	33,612	1.91
Oil and gas marketing sales	23,743	1.12	13,083	0.75
Oil and gas service operations	-	-	997	0.06
Interest and other	5,430	0.25	1,790	0.10
Total revenues	74,527	3.50	49,482	2.82
EXPENSES:				
Production expenses and taxes	4,925	0.23	2,464	0.14
Oil and gas marketing expenses	23,845	1.12	12,898	0.73
Oil and gas service operations	-	-	632	0.04
Impairment of oil and gas properties	236,000	11.09	-	-
Depreciation, depletion, and amortization of oil and gas properties	42,358	1.99	15,631	0.89
Depreciation and amortization of other assets	1,073	0.05	1,006	0.06
General and administrative	2,582	0.12	1,481	0.08
Interest	8,680	0.41	3,962	0.23
Total expenses	319,463	15.01	38,074	2.17
Income (Loss) Before Income Taxes and Extraordinary Item	(244,936)	(11.51)	11,408	0.65
Provision (Benefit) for Income Taxes	(27,153)	(1.28)	4,050	0.23
Income (Loss) Before Extraordinary Item	(217,783)	(10.23)	7,358	0.42
EXTRAORDINARY ITEM:				
Loss on early extinguishment of debt, net of applicable income tax	-	-	-	-
NET INCOME (LOSS)	(217,783)	(10.23)	7,358	0.42
EARNINGS (LOSS) PER COMMON AND COMMON EQUIVALENT SHARE (PRIMARY)				
INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	(2.97)	-	0.12	-
EXTRAORDINARY ITEM	-	-	-	-
NET INCOME (LOSS)	(2.97)	-	0.12	-
EARNINGS (LOSS) PER COMMON AND COMMON EQUIVALENT SHARE (FULLY DILUTED)				
INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	(2.97)	-	0.12	-
EXTRAORDINARY ITEM	-	-	-	-
NET INCOME (LOSS)	(2.97)	-	0.12	-
WEIGHTED AVERAGE COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING (IN 000'S)				
PRIMARY	73,315	-	63,410	-
FULLY DILUTED	73,315	-	63,626	-
OPERATING CASH FLOWS	34,495	1.62	28,045	1.60
PRODUCTION AND PRICING DATA:				
THOUSANDS OF BARRELS OF OIL (MBBL):	853	+ 126%	377	

MILLIONS OF CUBIC FEET OF GAS (MMCF):	16,168	+	6%	15,300
MILLIONS OF CUBIC FEET OF GAS EQUIVALENTS (MMCFE):	21,286	+	21%	17,562
AVERAGE PRICE/BARREL	\$ 19.10	+	1%	\$ 18.94
AVERAGE PRICE/MCF	\$ 1.80	+	4%	\$ 1.73
AVERAGE GAS EQUIVALENT PRICE/MCFE	\$ 2.13	+	12%	\$ 1.91

Income (loss) before extraordinary item, depreciation, depletion and amortization, income tax, and impairment of oil and gas properties.

CHESAPEAKE ENERGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(\$ IN 000'S, EXCEPT PER SHARE DATA)
(UNAUDITED)

FISCAL YEAR ENDED:	JUNE 30, 1997		JUNE 30, 1996	
	\$	\$/MCFE	\$	\$/MCFE
REVENUES:				
Oil and gas sales	192,920	2.45	110,849	1.84
Oil and gas marketing sales	76,172	0.97	28,428	0.47
Oil and gas service operations	-	-	6,314	0.11
Interest and other	11,223	0.15	3,831	0.06
Total revenues	280,315	3.57	149,422	2.48
EXPENSES:				
Production expenses and taxes	15,107	0.19	8,303	0.14
Oil and gas marketing expenses	75,140	0.96	27,452	0.45
Oil and gas service operations	-	-	4,895	0.08
Impairment of oil and gas properties	236,000	3.00	-	-
Depreciation, depletion, and amortization of oil and gas properties	103,264	1.31	50,899	0.85
Depreciation and amortization of other assets	3,782	0.05	3,157	0.05
General and administrative	8,802	0.11	4,828	0.08
Interest	18,550	0.24	13,679	0.23
Total expenses	460,645	5.86	113,213	1.88
Income (Loss) Before Income Taxes and Extraordinary Item	(180,330)	(2.29)	36,209	0.60
Provision (Benefit) for Income Taxes	(3,573)	(0.04)	12,854	0.21
Income (Loss) Before Extraordinary Item	(176,757)	(2.25)	23,355	0.39
EXTRAORDINARY ITEM:				
Loss on early extinguishment of debt, net of applicable income tax of \$3,804	(6,620)	(0.08)	-	-
NET INCOME (LOSS)	(183,377)	(2.33)	23,355	0.39
EARNINGS (LOSS) PER COMMON AND COMMON EQUIVALENT SHARE (PRIMARY)				
INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	(2.53)	-	0.40	-
EXTRAORDINARY ITEM	(0.10)	-	-	-
NET INCOME (LOSS)	(2.63)	-	0.40	-
EARNINGS (LOSS) PER COMMON AND COMMON EQUIVALENT SHARE (FULLY DILUTED)				
INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	(2.53)	-	0.40	-
EXTRAORDINARY ITEM	(0.10)	-	-	-
NET INCOME (LOSS)	(2.63)	-	0.40	-
WEIGHTED AVERAGE COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING (IN 000'S)				
PRIMARY	69,838	-	58,342	-
FULLY DILUTED	69,838	-	58,922	-
OPERATING CASH FLOWS	162,716	2.07	90,265	1.50
PRODUCTION AND PRICING DATA:				
THOUSANDS OF BARRELS OF OIL (MBBL):	2,770	+	96%	1,413
MILLIONS OF CUBIC FEET OF GAS (MMCF):	62,005	+	20%	51,710
MILLIONS OF CUBIC FEET OF GAS EQUIVALENTS (MMCFE):	78,625	+	31%	60,190
AVERAGE PRICE/BARREL	\$ 20.93	+	17%	\$ 17.85
AVERAGE PRICE/MCF	\$ 2.18	+	31%	\$ 1.66
AVERAGE GAS EQUIVALENT PRICE/MCFE	\$ 2.45	+	33%	\$ 1.84

Income (loss) before extraordinary item, depreciation, depletion and amortization, income tax, and impairment of oil and gas properties.

CHESAPEAKE ENERGY CORPORATION AND SUBSIDIARIES
SUMMARIZED CONSOLIDATED BALANCE SHEET
(\$ IN 000'S)
(UNAUDITED)

	JUNE 30, 1997	JUNE 30, 1996
	-----	-----
Cash and short-term investments	\$206,649	\$51,638
Other current assets	90,956	57,535
	-----	-----
Total current assets	297,605	109,173
Property and equipment	607,366	451,174
Other assets	44,097	11,988
	-----	-----
TOTAL ASSETS	\$949,068	\$572,335
	=====	=====
Current liabilities	\$146,326	\$108,834
Long-term liabilities	515,853	285,734
Stockholders' equity	286,889	177,767
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$949,068	\$572,335
	=====	=====

RESERVE DATA
JUNE 30, 1997

	OIL (MBbl)	GAS (MMcf)	GAS EQUIVALENT (MMcfe)
	-----	-----	-----
Proved Developed Reserves	7,324	151,879	195,823
Proved Undeveloped Reserves	10,049	146,887	207,181
	-----	-----	-----
Total Proved Reserves	17,373	298,766	403,004
	=====	=====	=====
SEC PV 10%			\$437,386
Weighted Average Year-end Pricing	\$18.38	\$2.12	