

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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

DATE OF REPORT (Date of earliest event reported)
NOVEMBER 9, 1998 (November 2, 1998)

CHESAPEAKE ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

OKLAHOMA

1-13726

73-1395733

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

6100 NORTH WESTERN AVENUE, OKLAHOMA CITY, OKLAHOMA

73118

(Address of principal executive offices) (Zip Code)

(405) 848-8000

(Registrant's telephone number, including area code)

INFORMATION TO BE INCLUDED IN THE REPORT

ITEM 5. OTHER EVENTS

On November 2, 1998, Chesapeake Energy Corporation ("Chesapeake") issued a press release announcing that it has agreed to tender its 19.9% stake in Pan East Petroleum Corp. to POCO Petroleum Ltd. and has agreed to a property exchange with Pan East.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

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

99. Press Release issued by the Registrant on November 2, 1998.

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 hereunto duly authorized.

CHESAPEAKE ENERGY CORPORATION

BY: /S/ AUBREY K. MCCLENDON

Aubrey K. McClendon,
Chief Executive Officer

Dated: November 6, 1998

EXHIBIT INDEX

EXHIBIT -----	DESCRIPTION -----
99	Press Release issued by the Registrant on November 2, 1998.

CONTACT: MARC ROWLAND
CHIEF FINANCIAL OFFICER
(405)879-9232

FOR IMMEDIATE RELEASE
NOVEMBER 2, 1998

TOM PRICE, JR., VICE PRESIDENT-
CORPORATE DEVELOPMENT
(405)879-9257

CHESAPEAKE ENERGY CORPORATION TO RECEIVE \$28 MILLION IN CASH
AND PROPERTIES FROM POCO ACQUISITION OF PAN EAST

OKLAHOMA CITY, OKLAHOMA, NOVEMBER 2, 1998 -- Chesapeake Energy Corporation (NYSE:CHK) today announced that it has agreed to tender its 19.9% stake in Pan East Petroleum Corp. to POCO Petroleum Ltd. and has agreed to a property exchange with Pan East. The POCO offer to acquire Pan East was announced earlier today.

For its 12 million shares of Pan East's common stock, Chesapeake will receive approximately \$21 million in cash at closing (based on a Canadian dollar valuation of U.S. \$0.647), which is scheduled for mid-December. Furthermore, Chesapeake and Pan East have agreed to a property exchange effective upon the closing of the Pan East/POCO transaction whereby Pan East will acquire Chesapeake's interests in four exploratory prospects and Chesapeake will receive Pan East's developed and undeveloped properties in the Helmet area of British Columbia. As a result of the property exchange, Chesapeake expects to receive an additional cash payment of approximately \$5 million and will increase its net reserves by approximately four bcfe (having a September 30, 1998 PV-10% value of approximately \$2 million). As part of this transaction, Chesapeake and Pan East will terminate their 50/50 drilling and acquisitions joint venture. Chesapeake acquired its stake in Pan East in December 1997 for \$22 million (based on a Canadian dollar valuation of U.S. \$0.733).

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Chesapeake Energy Corporation is an independent oil and natural gas producer headquartered in Oklahoma City. The company's operations are focused on exploratory and developmental drilling and producing property and corporate acquisitions in major onshore producing areas of the United States and Canada. The company's Internet address is <http://www.chesapeake-energy.com>.