AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON APRIL 21, 1998
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CHESAPEAKE ENERGY CORPORATION
(Exact name of registrant as specified in its charter)

OKLAHOMA	73-1395733
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

6100 NORTH WESTERN AVENUE OKLAHOMA CITY, OKLAHOMA 73118 (405) 848-8000	AUBREY K. MCCLENDON 6100 NORTH WESTERN AVENUE OKLAHOMA CITY, OKLAHOMA 73118 (405) 848-8000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)	(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

G. MICHAEL O'LEARY GISLAR DONNENBERG ANDREWS & KURTH L.L.P. 600 TRAVIS, SUITE 4200 HOUSTON, TEXAS 77002 (713) 220-4200	WILLIAM B. FEDERMAN DAY, EDWARDS, FEDERMAN PROPESTER & CHRISTENSEN, P.C. 210 PARK AVENUE, SUITE 2900 OKLAHOMA CITY, OKLAHOMA 73102 (405) 239-2121	SETH R. MOLAY, P.C. AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P. 1700 PACIFIC AVENUE, SUITE 4100 DALLAS, TX 75201-4675 (214) 969-2800

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF THE SECURITIES TO THE PUBLIC: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to a dividend or interest reinvestment plans, please check the following box: [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: |X|

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(c) 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 delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box: [ ]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (3)	AMOUNT OF REGISTRATION FEE

Common Stock, $0.01 par value per share	6,683,129	$5.46875	$36,548,361	$10,782

(1) This Registration Statement relates to the offering from time to time of an aggregate of 6,683,129 shares (the "Offered Shares") of the Registrant, par value $0.01 per share ("CHK Common Stock"), received by (i) a certain holder of common stock, par value $0.001 per share, of DLB Oil & Gas, Inc., an Oklahoma corporation ("DLB," and such common stock, the "DLB Common Stock"), in the DLB Merger described in the enclosed Prospectus and (ii) AnSon Partners Limited Partnership, an Oklahoma limited partnership ("AnSon"), in the AnSon Merger described in the enclosed Prospectus. Also includes such indeterminate number of shares issuable in respect of the Offered Shares in connection with stock splits, stock dividends and similar transactions.

(2) Calculated in accordance with Rule 457(c) under the Securities Act of 1933, based on the average of the high and low prices of the CHK Common Stock on April 16, 1998 on the New York Stock Exchange Composite Tape.

(3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c), based on the product of $5.46875 times 6,683,129.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT 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 OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 9(a), MAY DETERMINED.

SUBJECT TO COMPLETION, DATED APRIL 20, 1998

PROSPECTUS

6,683,129 SHARES

CHESAPEAKE ENERGY CORPORATION

COMMON STOCK

This prospectus (the "Prospectus") relates to (i) the 2,890,405 shares (the "Davidson Shares") of common stock, par value $0.01 per share ("CHK Common Stock"), of Chesapeake Energy Corporation, an Oklahoma corporation ("CHK"), which Charles E. Davidson ("Davidson") will receive in the DLB Merger (as described below), and (ii) the 3,792,724 shares of CHK Common Stock (the "AnSon Shares") received by AnSon Partners Limited Partnership, an Oklahoma limited partnership ("AnSon"), in the AnSon Merger (as described below). The Davidson Shares may be offered from time to time after the DLB Merger by and for the account of Davidson and the AnSon Shares may be offered from time to time by and for the account of AnSon. The AnSon Shares and the Davidson Shares are referred to herein collectively as the "Offered Shares." AnSon and Davidson are referred to herein collectively as the "Selling Shareholders."

CHK will not receive any of the proceeds from the sale of the Offered Shares. CHK will bear all expenses in connection with the registration of the Offered Shares. The Selling Shareholders will bear the underwriting discounts, commissions and transfer taxes, if any, associated with sales of the Offered Shares. See "Selling Shareholders," "Use of Proceeds" and "Plan of Distribution."

Pursuant to the Agreement and Plan of Merger, dated as of October 22, 1997, among CHK, Chesapeake Merger Corp., an Oklahoma corporation and an indirect wholly owned subsidiary of CHK ("Merger Sub"), and DLB Oil & Gas, Inc., an Oklahoma corporation ("DLB"), as amended by Amendment No. 1 thereto, dated as of December 22, 1997, Amendment No. 2 thereto, dated as of February 11, 1998 and Amendment No. 3 thereto, dated as of March 24, 1998 (as so amended, the "DLB Merger Agreement"), Merger Sub will merge with and into DLB, with DLB continuing as the surviving corporation (the "DLB Merger"). DLB shareholders will receive 5,000,000 shares of CHK Common Stock, representing approximately 5.0% of the total CHK Common Stock currently outstanding, of which Davidson will receive up to 2,890,405 shares, representing approximately 2.9% of the total CHK Common Stock currently outstanding (approximately 2.7% of the outstanding CHK Common Stock upon consummation of the DLB Merger). The DLB Merger is expected to close on or about April 28, 1998.

Pursuant to the Merger Agreement and Plan of Reorganization, dated as of October 22, 1997, as amended by the First Amendment thereto dated December 15, 1997 (as so amended, the "AnSon Merger Agreement"), among CHK, Chesapeake Merger II Corp., an Oklahoma corporation and an indirect wholly owned subsidiary of CHK ("AnSon Merger Sub"), AnSon Production Corporation, an Oklahoma corporation ("AnSon Production"), and AnSon, AnSon Production was merged with and into AnSon Merger Sub, with AnSon Merger Sub continuing as the surviving corporation. AnSon received 3,792,724 shares of CHK Common Stock, representing approximately 3.8% of the total CHK Common Stock currently outstanding (approximately 3.6% of the outstanding CHK Common Stock upon consummation of the DLB Merger). For a further description of certain agreements of CHK relating to the AnSon Shares, see "Summary--AnSon Price Guarantee" and "Selling Shareholders."

The AnSon Shares and Davidson Shares may be offered for sale from time to time by Davidson or AnSon, respectively, or by pledgees, donees, transferees or other successors in interest, to or through underwriters or directly to other purchasers or through agents in one or more transactions on the New York Stock Exchange, Inc. (the "NYSE"), in the over-the-counter market, in one or more private transactions, or in a combination of such methods of sale or any other legally available means, at prices and on terms then prevailing, at prices related to such prices, or at negotiated prices. The Selling Shareholders and any brokers and dealers through whom sales of the Offered Shares are made may be deemed to be "underwriters" within the meaning of the Securities Act of 1933, as amended ("Securities Act"), and the commissions or discounts and other compensation paid to such persons may be regarded as underwriters' compensation. See "Plan of Distribution." Pursuant to the terms of each of the Davidson Registration Rights Agreement (as described herein) and the AnSon Registration Rights Agreement (as described herein), CHK has agreed to indemnify Davidson and AnSon, respectively, against certain liabilities, including liabilities under the Securities Act.

CHK Common Stock is listed for trading on the NYSE under the symbol "CHK."

FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE OFFERED SHARES, SEE "RISK FACTORS" BEGINNING ON PAGE 3.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS , 1998.

AVAILABLE INFORMATION

CHK is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Commission relating to its business, financial position, results of operations and other matters. Such reports, proxy statements, information statements and other information can be inspected and copied at the Public Reference Section maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and at its Regional Offices located at The Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511, and 7 World Trade Center, New York, New York 10048. Copies of such material also can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. CHK Common Stock is listed for trading on the NYSE. Such reports, proxy statements, information statements and other materials can also be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005. The Commission also maintains a site on the World Wide Web at http://www.sec.gov that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission.

CHK has filed with the Commission a Registration Statement (including all amendments thereto, the "Registration Statement") on Form S-3 under the Securities Act with respect to the CHK Common Stock offered hereby. As permitted by the rules and regulations of the Commission, this Prospectus does not contain all the information set forth in the Registration Statement and the exhibits and schedules thereto. Such additional information is available for inspection and copying at the offices of the Commission. Statements contained in this Prospectus, in any Prospectus Supplement or in any document incorporated by reference herein or therein as to the contents of any contract or other document referred to herein or therein are not necessarily complete, and in each instance reference is made to the copy of such contract or other document filed as an exhibit to, or incorporated by reference in, the Registration Statement, and each such statement being qualified in all respects by such reference.

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFERING OF THE SHARES OF CHK COMMON STOCK COVERED BY THIS PROSPECTUS. IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY CHK, DAVIDSON OR ANSON. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE OFFERED SHARES IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS NOT LAWFUL TO MAKE ANY SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY DISTRIBUTION OF THE SECURITIES MADE UNDER THIS PROSPECTUS SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH IN THIS PROSPECTUS OR THE AFFAIRS OF CHK SINCE THE DATE OF THIS PROSPECTUS.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

THIS PROSPECTUS INCLUDES "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT AND SECTION 21E OF THE EXCHANGE ACT. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS INCLUDED AND INCORPORATED BY REFERENCE IN THIS PROSPECTUS, INCLUDING WITHOUT LIMITATION STATEMENTS UNDER "SUMMARY," "RISK FACTORS" AND "THE COMPANY" REGARDING PLANNED CAPITAL EXPENDITURES, THE ACQUISITIONS (AS DEFINED), INCREASES IN OIL AND GAS PRODUCTION, CHK'S FINANCIAL POSITION, BUSINESS STRATEGY AND OTHER PLANS AND OBJECTIVES FOR FUTURE OPERATIONS, ARE FORWARD-LOOKING STATEMENTS. ALTHOUGH CHK BELIEVES THAT THE EXPECTATIONS REFLECTED IN SUCH FORWARD-LOOKING STATEMENTS ARE REASONABLE, IT CAN GIVE NO ASSURANCE THAT SUCH EXPECTATIONS WILL PROVE TO HAVE BEEN CORRECT. CHK CAUTIONS PROSPECTIVE INVESTORS THAT ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE EXPECTED BY CHK, DEPENDING ON THE OUTCOME OF CERTAIN FACTORS, INCLUDING, WITHOUT LIMITATION, FACTORS DISCUSSED UNDER "RISK FACTORS" SUCH AS CONCENTRATION OF UNEVALUATED LEASEHOLD IN LOUISIANA, IMPAIRMENT OF ASSET VALUE, NEED TO REPLACE RESERVES, SUBSTANTIAL CAPITAL REQUIREMENTS, SUBSTANTIAL INDEBTEDNESS, FLUCTUATIONS IN THE PRICES OF OIL AND GAS, UNCERTAINTIES INHERENT IN ESTIMATING QUANTITIES OF OIL AND GAS RESERVES AND PROJECTING FUTURE RATES OF PRODUCTION AND TIMING OF DEVELOPMENT EXPENDITURES, COMPETITION, OPERATING RISKS, ACQUISITION RISKS AND INTEGRATION OF OPERATIONS, RESTRICTIONS IMPOSED BY LENDERS, LIQUIDITY AND CAPITAL REQUIREMENTS AND THE EFFECTS OF GOVERNMENTAL AND ENVIRONMENTAL REGULATION, PATENT AND SECURITIES LITIGATION AND ADVERSE CHANGES IN THE MARKET FOR CHK'S OIL AND GAS PRODUCTION. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF. CHK UNDERTAKES NO OBLIGATION TO RELEASE PUBLICLY THE RESULT OF ANY REVISIONS TO THESE FORWARD-LOOKING STATEMENTS THAT MAY BE MADE TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE HEREOF, INCLUDING, WITHOUT LIMITATION, CHANGES IN CHK'S BUSINESS STRATEGY OR PLANNED CAPITAL EXPENDITURES, OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents, all of which were previously filed with the Commission by CHK (File No. 1-13726) pursuant to the Exchange Act, are incorporated by reference in this Prospectus:

1. Annual Report on Form 10-K for the fiscal year ended June 30, 1997 and Transition Report for the six months ended December 31, 1997;

2. Current Reports on Form 8-K dated March 21, April 1 and April 10, 1998; and

3. The description of CHK Common Stock contained in CHK's registration statement on Form 8-B, dated December 11, 1996 (File No. 001-13726) and any amendment or report filed for the purpose of updating such description.

All documents and reports subsequently filed by CHK pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of the offering of the shares of CHK Common Stock covered by this Prospectus shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the dates of filing of such documents or reports. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

THIS PROSPECTUS INCORPORATES DOCUMENTS BY REFERENCE RELATING TO CHK WHICH ARE NOT PRESENTED HEREIN OR DELIVERED HEREWITH. SUCH DOCUMENTS (OTHER THAN EXHIBITS TO SUCH DOCUMENTS UNLESS SUCH EXHIBITS ARE SPECIFICALLY INCORPORATED BY REFERENCE) ARE AVAILABLE, WITHOUT CHARGE, TO EACH PERSON, INCLUDING ANY BENEFICIAL OWNER, TO WHOM THIS PROSPECTUS IS DELIVERED, ON WRITTEN OR ORAL REQUEST TO CHESAPEAKE ENERGY CORPORATION, 6100 NORTH WESTERN AVENUE, OKLAHOMA CITY, OKLAHOMA 73118, ATTENTION: CORPORATE SECRETARY (TELEPHONE NUMBER: (405) 848-8000, EXTENSION 212).

SUMMARY

The following is a summary of, and is qualified in its entirety by, the more detailed information contained elsewhere in this Prospectus and the documents incorporated by reference herein. Certain terms used herein are defined elsewhere in this Prospectus. Prospective purchasers are urged to read this Prospectus and the documents incorporated herein by reference in their entirety. Prospective purchasers should carefully consider the information set forth below under the heading "Risk Factors" beginning on page 3 hereof.

CHESAPEAKE ENERGY CORPORATION

CHK is an independent oil and gas company engaged in the exploration, production, development and acquisition of oil and natural gas in major onshore producing areas of the United States and Canada.

From inception in 1989 through December 31, 1997, CHK drilled and participated in a total of 824 gross (334 net) wells, of which 768 gross (312 net) wells were completed. From June 30, 1990 to December 31, 1997, CHK's estimated proved reserves increased to 448 billion cubic feet equivalent ("Bcfe") from 11 Bcfe and total assets increased to $953 million from $8 million. Despite its overall favorable record of growth, in the fiscal year ended June 30, 1997 and in the six month period ended December 31, 1997 (the "Transition Period"), CHK incurred net losses of $183 million and $32 million, respectively, primarily as a result of $236 million and $110 million, respectively, impairments of its oil and gas properties. The impairments were amounts by which CHK's capitalized costs of oil and gas properties exceeded the estimated present value of future net revenues from CHK's proved reserves at June 30, 1997 and at December 31, 1997, respectively. See "Risk Factors--Impairment of Asset Value."

In response to the losses, CHK significantly revised its business strategy during the Transition Period. These revisions included (i) reducing the size and risk of its exploratory drilling program, especially in the Louisiana Austin Chalk Trend (the "Louisiana Trend"), (ii) acquiring significant quantities of long-lived natural gas reserves, particularly in the Mid-Continent region of the U.S., (iii) building a larger inventory of lower risk drilling opportunities through acquisitions and joint ventures and (iv) reducing its capital expenditure budget for exploration and development to more closely match anticipated cash flow from operations.

CHK has acquired or has agreed to acquire a substantial amount of proved oil and gas reserves through mergers and acquisitions of oil and gas properties. Since October 1997, CHK has entered into 10 transactions to acquire an aggregate of approximately 716 Bcfe of estimated proved reserves (the "Acquisitions") at an estimated total cost of $717 million (including associated debt to be assumed and the value attributable to shares of CHK Common Stock to be issued, but excluding the value attributable to other assets such as gathering systems, processing plants and other items). Of these transactions, one was closed in December 1997, three were closed in the first quarter of 1998 and six are pending (the "Pending Acquisitions"). See "Recent and Pending Acquisitions" in Item 1. "Business" of CHK's Transition Report on Form 10-K, which is incorporated by reference herein.

CHK's executive offices are located at 6100 North Western Avenue, Oklahoma City, Oklahoma 73118, and its telephone number at that location is (405) 848-8000.

For additional information concerning CHK and its subsidiaries, see "Available Information."

ANSON PRICE GUARANTEE

Pursuant to the AnSon Merger Agreement, CHK acquired AnSon for a total consideration of $43 million, consisting of (i) the issuance of 3,792,724 shares of CHK Common Stock and (ii) cash in an amount to be determined by the difference of the per share net proceeds received by AnSon from the sale of the AnSon Shares multiplied by the number of AnSon Shares actually sold during a 30-day period commencing on that day of April 1998 on which AnSon Shares are first sold and the agreed value of such AnSon Shares, which was determined to be $11.3375 per share (the "AnSon Price Guarantee"). Assuming net proceeds to AnSon of $5.625 per share of CHK Common Stock (the closing price of CHK Common Stock on April 9, 1998), the cash amount payable by CHK to AnSon would have been approximately $21.7 million. To receive the full cash payment, all AnSon Shares will have to be sold by AnSon within such 30-day period.

To the extent that the AnSon Shares are sold within such 30-day period at a net price of less than $11.3375 per share, CHK's cash payment will effectively reimburse AnSon for all or a portion of the underwriting discounts and commissions, if any, paid by AnSon in connection with such sale of the AnSon Shares.

THE OFFERING

CHK Common Stock Offered by the Selling Shareholders:	
Davidson Shares	2,890,405
AnSon Shares	3,792,724
Total	6,683,129
CHK Common Stock to be outstanding before and after the Offering	105,102,270(1)(2)
Listing	The CHK Common Stock is listed for trading on the New York Stock Exchange
Trading Symbol	"CHK"
Use of Proceeds	The Offered Shares are being offered by the Selling Shareholders. CHK will not receive any of the proceeds from the sale of the Offered Shares.

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(1) Excludes 11,462, 220 shares of CHK Common Stock reserved for issuance upon exercise of outstanding options (1,403,513 of which are to be issued to former holders of Hugoton options pursuant to replacement options issued in connection with the Hugoton Merger).

(2) Includes the 5,000,000 shares of CHK Common Stock to be issued in connection with the DLB Merger.

SELLING SHAREHOLDERS

The Davidson Shares and the AnSon Shares are being offered on behalf of Charles E. Davidson and AnSon Partners Limited Partnership, an Oklahoma limited partnership, respectively. Following the offering and assuming that (i) all Davidson Shares will be sold within 90 days of the DLB Effective Time (the period for which CHK has agreed to keep this Registration Statement effective with respect to the Davidson Shares) and (ii) all AnSon Shares will be sold by March 21, 1999 (the period for which CHK has agreed to keep this Registration Statement effective with respect to the AnSon Shares), neither Davidson nor AnSon will own any shares of CHK Common Stock. The Selling Shareholders will receive all the proceeds from the sale of the Offered Shares. See "Selling Shareholders."

RISK FACTORS

Prospective purchasers should carefully consider the matters discussed in this section of the Prospectus before purchasing any of the Offered Shares. These matters should be considered in conjunction with the other information included and incorporated by reference in this Prospectus.

CONCENTRATION OF UNEVALUATED LEASEHOLD IN LOUISIANA

CHK's future performance will be affected by the development results of its existing proved undeveloped reserves and its inventory of unproved drilling locations, particularly in the Louisiana Trend and the Tuscoloosa Trend. As of December 31, 1997, CHK had an investment in total unevaluated and unproved leasehold of approximately $125 million, of which approximately $66 million was located in the Louisiana Trend and the Tuscoloosa Trend. Approximately 42%, or $98 million, of CHK's 1998 drilling budget is associated with drilling, construction of production facilities and seismic activity in the Louisiana Trend and the Tuscoloosa Trend. Failure of these drilling activities to achieve anticipated quantities of economically attractive reserves and production would have a material adverse impact on CHK's liquidity, operations and financial results and could result in future full-cost ceiling writedows.

IMPAIRMENT OF ASSET VALUE

CHK reported full-cost ceiling writedowns of $236 million and $110 million in the fiscal year ended June 30, 1997 and the six months ended December 31, 1997. Beginning in the quarter ended September 30, 1997, CHK reduced its drilling budget for the Austin Chalk in the Louisiana Trend overall and concentrated remaining Austin Chalk drilling activity in the Masters Creek area. In addition, CHK began to pursue a strategy to replace and expand its oil and gas reserves through acquisitions as a complement to its historical strategy of adding reserves through exploratory drilling. CHK has also reduced its emphasis on acquiring unproved leasehold acreage to be developed through exploratory drilling. While these actions are intended to mitigate the higher risks associated with a growth strategy based on significant exploratory drilling, there can be no assurance that this change in strategy will result in enhanced future economic results or will prevent additional leasehold impairment and/or full-cost ceiling writedowns. See "Primary Operating Areas" in Item 1. "Business" of CHK's Form 10-K and Transition Report which are incorporated by reference herein.

Since December 31, 1997, oil prices have declined, reaching ten-year lows in March 1998. In addition, the Company has completed several acquisitions based on expectations of higher oil and gas prices than those currently being received. Based on New York Mercantile Exchange ("NYMEX") oil prices of $16.50 per Bbl and NYMEX gas prices of $2.35 per Mcf in effect on March 25, 1998, and estimates of the Company's proved reserves as of December 31, 1997 (pro forma for the acquisitions completed during the quarter ended March 31, 1998), the Company estimates it will incur an additional full cost ceiling writedown of between $175 million and $200 million as of March 31, 1998. If this occurs, the Company will incur a substantial loss for the first quarter of 1998 which would further reduce shareholders' equity and reported earnings. Based upon current oil and gas prices, if the Pending Acquisitions occur in the second quarter of 1998, CHK may record a further full-cost ceiling writedown with respect to the acquired properties on June 30, 1998, the amount of which is not yet known.

CHK uses the full-cost method of accounting for its investment in oil and gas properties. Under the full-cost method of accounting, all costs of acquisition, exploration and development of oil and gas reserves are capitalized into a "full-cost pool" as incurred, and properties in the pool are depleted and charged to operations using the unit-of-production method based on the ratio of current production to total proved oil and gas reserves. To the extent that such capitalized costs (net of accumulated depreciation, depletion and amortization) less deferred taxes exceed the present value (using a 10% discount rate) of estimated future net cash flows from proved oil and gas reserves and the lower of cost or fair value of unproved properties after income tax effects, such excess costs are charged to operations. If a writedown is required, it would result in a charge to earnings but would not have an impact on cash flows from operating activities. Once incurred, a writedown of oil and gas properties is not reversible at a later date even if oil and gas prices increase.

Following CHK's announcement in late June 1997 of disappointing drilling results in the Louisiana Trend and a full-cost ceiling writedown, a number of purported class action lawsuits alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder were filed against CHK and certain of its officers and directors. See "-- Patent and Securities Litigation."

ACQUISITION RISKS AND INTEGRATION OF OPERATIONS

CHK's growth strategy includes the acquisition of oil and gas properties. There can be no assurance, however, that CHK will be able to identify attractive acquisition opportunities, obtain financing for acquisitions on satisfactory terms or successfully acquire identified targets, including the Pending Acquisitions. Future acquisitions may be financed through the incurrence of additional indebtedness to the extent permitted under the terms of CHK's then existing indebtedness or through the issuance of capital stock.

Furthermore, there can be no assurance that competition for acquisition opportunities in the oil and gas industry will not escalate, thereby increasing the cost to CHK of making further acquisitions or causing CHK to refrain from making additional acquisitions.

CHK is subject to risks that properties acquired by it (including those acquired and to be acquired in the Acquisitions) will not perform as expected, that estimates of value will not prove accurate and that the returns from such properties will not support the indebtedness incurred or the other consideration used to acquire, or the capital expenditures needed to develop, such properties. The addition of the properties acquired and to be acquired in the Acquisitions may result in additional full cost ceiling writedowns to the extent CHK's capitalized costs of such properties exceed the estimated present value of the related proved reserves. In addition, expansion of CHK's operations may place a significant strain on CHK's management, financial and other resources. CHK's ability to manage future growth will depend upon its ability to monitor operations, maintain effective costs and other controls and significantly expand CHK's internal management, technical and accounting systems, all of which will result in higher operating expenses. Any failure to expand these areas and to implement and improve such systems, procedures and controls in an efficient manner at a pace consistent with the growth of CHK's business could have a material adverse effect on CHK's business, financial condition and results of operations. In addition, the integration of acquired properties with existing operations will entail considerable expenses in advance of anticipated revenues and may cause substantial fluctuations in CHK's operating results. There can be no assurance that CHK will be able to successfully complete each of the Pending Acquisitions, or to successfully integrate the properties acquired and to be acquired in the Acquisitions or any other businesses it may acquire.

CHK has also acquired proved reserves in Canada. In addition to the risks described above, the acquisition of assets in Canada has the additional risks associated with currency exchange and valuation, foreign regulation and taxation, and severe climate and operating conditions.

NEED TO REPLACE RESERVES; SUBSTANTIAL CAPITAL REQUIREMENTS

As is customary in the oil and gas exploration and production industry, CHK's future success depends upon its ability to find, develop or acquire additional oil and gas reserves that are economically recoverable. Unless CHK successfully replaces the reserves that it produces through successful development, exploration or acquisition, CHK's proved reserves will decline. Further, approximately 43% of CHK's estimated proved reserves at December 31, 1997 (17% pro forma for the Acquisitions) were located in the Austin Chalk formation in Texas and Louisiana, where wells are characterized by rapid decline rates. Additionally, approximately 47% of CHK's total estimated proved reserves at December 31, 1997 were undeveloped. Recovery of such reserves will require significant capital expenditures and successful drilling operations. There can be no assurance that CHK will be successful in its efforts to find and produce reserves economically in the future.

CHK has made and intends to make substantial capital expenditures in connection with the development, exploration and production of its oil and gas properties and the acquisition of proved reserves. Historically, CHK has funded its capital expenditures through a combination of internally generated funds, equity issuance and long-term and short term debt financing arrangements. Future cash flows are subject to a number of variables, such as the level of production from existing wells, prices of oil and gas and CHK's success in developing, acquiring and producing new reserves. If revenue were to decrease as a result of lower oil and gas prices, decreased production or otherwise, and CHK's access to capital was limited, CHK would have a reduced ability to replace its reserves or to maintain production at current levels, resulting in a decrease in production and revenue over time. If CHK's cash flow from operations is not sufficient to satisfy its capital expenditure budget, there can be no assurance that additional debt or equity financing will be available to meet these requirements.

SUBSTANTIAL INDEBTEDNESS

As of December 31, 1997, and as a result of the loss incurred during the Transition Period, CHK's shareholders' equity was $280 million, versus long-term indebtedness of $509 million. Long-term indebtedness represented approximately 65% of total book capitalization. If CHK incurs additional full-cost ceiling writedowns (such as the possible writedown of up to approximately $200 million which could be recorded as of March 31, 1998 using estimates of proved reserves as of December 31, 1997 and commodity prices as of March 25, 1998), shareholders' equity will be further reduced. Standard & Poor's and Moody's Investors Service ("Moody's") have both recently downgraded CHK's credit ratings. Moody's has announced that its outlook for CHK's credit ratings is negative pending Moody's ongoing evaluation of CHK's new business strategy.

CHK anticipates funding announced acquisitions and potential future acquisitions with a combination of commercial bank debt, long-term debt or preferred or common equity. If, as a result of general market conditions, additional losses, reduced credit ratings or for any other reason, CHK is unable to issue additional securities or borrow from commercial banks, CHK's liquidity would be impaired and growth potential. Sustained negative credit conditions could result in reduced earnings or losses.

PATENT AND SECURITIES LITIGATION

CHK and certain of its officers and directors are defendants in a consolidated class action suit alleging violations of the Exchange Act. The plaintiffs assert that the defendants made material misrepresentations and failed to disclose material facts about the success of CHK's exploration efforts in the Louisiana Trend. As a result, the complaint alleges, the price of CHK Common Stock was artificially inflated from January 25, 1996 until June 27, 1997, when CHK issued a press release announcing disappointing drilling results in the Louisiana Trend and a full-cost ceiling writedown to be reflected in its June 30, 1997 financial statements. The plaintiffs further allege that certain of the named individual defendants sold CHK Common Stock during the class period when they knew or should have known adverse nonpublic information. The plaintiffs seek a determination that the suit is a proper class action and damages in an unspecified amount, together with costs of litigation, including attorneys' fees. CHK and the individual defendants believe that these actions are without merit, and intend to defend against them vigorously. No estimate of loss or range of estimate of loss, if any, can be made at this time.

Various purported class actions alleging violations of the Securities Act and the Oklahoma Securities Act have been filed against CHK and others on behalf of investors who purchased common stock of Bayard Drilling Technologies, Inc. ("Bayard") in its initial public offering in November 1997. Total proceeds of the offering were $254 million, of which CHK received net proceeds of $90 million. Plaintiffs allege that CHK, a major customer of Bayard's drilling services and the owner of 30.1% of Bayard's common stock outstanding prior to the offering, was a controlling person of Bayard. Plaintiffs assert that the Bayard prospectus contained material omissions and misstatements relating to (i) CHK's financial "hardships" and their significance on Bayard's business, (ii) increased costs associated with Bayard's growth strategy and (iii) undisclosed pending related-party transactions between Bayard and third parties other than CHK. The alleged defective disclosures are claimed to have resulted in a decline in Bayard's share price following the public offering. Each plaintiff seeks a determination that the suit is a proper class action and damages in an unspecified amount or rescission, together with interest and costs of litigation, including attorneys' fees. No estimate of loss or range of estimate of loss, if any, can be made at this time.

In October 1996, Union Pacific Resources Company ("UPRC") sued CHK alleging infringement of a patent for a drilling method, tortious interference of confidentiality contracts between UPRC and certain of its former employees and misappropriation of proprietary information of UPRC. UPRC's claims against CHK are based on services provided to CHK by a third party vendor controlled by former UPRC employees. UPRC is seeking injunctive relief, damages of an unspecified amount, including actual, enhanced, consequential and punitive damages, interest, costs and attorneys' fees. CHK believes that it has meritorious defenses to UPRC's allegations and has requested the court to declare the UPRC patent invalid. CHK has also filed a motion to construe UPRC's patent claims and various motions for summary judgment. No estimate of a probable loss or range of estimate of a probable loss, if any, can be made at this time; however, in reports filed in the proceeding, experts for UPRC claim that damages could be as much as $18 million while Company experts state that the amount should not exceed $25,000, in each case based on a reasonable royalty.

While no prediction can be made as to the outcome of these matters or the amount of damages that might be awarded, if any, an adverse result in any of then could be material to CHK.

FLUCTUATIONS IN OIL AND GAS PRICES

CHK's revenue, profitability and future rate of growth are substantially dependent upon prevailing prices for oil, natural gas and natural gas liquids, which are dependent upon numerous factors such as weather, economic, political and regulatory developments and competition from other sources of energy. The volatile nature of the energy markets makes it particularly difficult to estimate future prices of oil, gas and natural gas liquids. Prices of oil, natural gas and natural gas liquids are subject to wide fluctuations in response to relatively minor changes in circumstances, and there can be no assurance that future prolonged decreases in such prices will not occur. All of these factors are beyond the control of CHK. Any significant further decline in oil and gas prices could have a material adverse effect on CHK's operations, financial condition and level of expenditures for the development of its oil and gas reserves, and may result in violations of certain covenants contained in CHK's credit agreements or in additional writedowns of carrying value of CHK's investments due to ceiling test limitations.

INCREASING DRILLING AND DEVELOPMENT COSTS

In accordance with customary industry practice, CHK relies on independent third party service providers to provide most of the services necessary to drill new wells, including drilling rigs and related equipment and services, horizontal drilling equipment and services, trucking services, tubulars, fracing and completion services and production equipment. The industry has experienced significant price increases for these services during the last year and this trend is expected to continue into the future. These cost increases could in the future significantly increase the Company's development costs and decrease the return possible from drilling and development activities, and possibly render the development of certain proved undeveloped reserves uneconomical.

HEDGING RISKS

From time to time, CHK enters into hedging arrangements relating to a portion of its oil and gas production. These hedges have in the past involved fixed arrangements and other arrangements at a variety of fixed prices and with a variety of other provisions including price floors and ceilings. CHK may in the future enter into oil and gas futures contracts, options, collars and swaps. CHK's hedging activities, while intended to reduce CHK's sensitivity to changes in market prices of oil and gas, are subject to a number of risks including instances in which (i) production is less than expected, (ii) there is a widening of price differentials between delivery points required by fixed price delivery contracts to the extent they differ from those on CHK's production or (iii) CHK's counterparties to its futures contract will be unable to meet the financial terms of the transaction. While the use of hedging arrangements limits the risk of declines in oil and gas prices, it may limit the benefit to CHK of increases in the price of oil and gas.

UNCERTAINTY OF ESTIMATES OF OIL AND GAS RESERVES

There are numerous uncertainties inherent in estimating quantities of proved oil and gas reserves, including many factors beyond the control of CHK. These estimates rely upon various assumptions, including assumptions required by the Commission as to constant oil and gas prices, drilling and operating expenses, capital expenditures, taxes and availability of funds. The process of estimating oil and gas reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir. In addition, reserve engineering is a subjective process of estimating underground accumulations of oil and gas that cannot be measured in any exact way, and the accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. As a result, estimates by different engineers often vary, and are subject to great uncertainty. This is particularly true as to proved undeveloped reserves which are inherently less certain than proved developed reserves and which comprise a significant portion of CHK's proved reserves. In addition, the estimated future net revenue from proved reserves and the present value (using a 10% discount rate) thereof are based on certain assumptions, including prices, future production levels and costs, that may not prove correct. Actual future production, revenue, taxes, development expenditures, operating expenses and quantities of recoverable oil and gas reserves may vary substantially from those estimated by CHK. Any significant variance in these assumptions could materially affect the estimated quantity and value of reserves set forth in this Prospectus and may justify revisions of earlier estimates, and such revisions may be material. In addition, CHK's reserves may be subject to downward or upward revision, based upon production history, results of future exploration and development, prevailing oil and gas prices, development costs and other factors, many of which are beyond CHK's control. In fiscal 1997 and for the six months ended December 31, 1997, revisions to the Company's proved reserves, the estimated future net revenues therefrom and the present value (using a 10% discount rate) thereof contributed to $236 million and $110 million impairments, respectively, of CHK's oil and gas properties. Based on NYMEX prices of $16.50 per Bbl and $2.35 per Mcf as of March 25, 1998, and CHK's estimated proved reserves as of December 31, 1997, pro forma for the

Acquisitions completed during the quarter ended March 31, 1998, CHK estimates that it will record a full-cost ceiling writedown of between $175 million and $200 million as of March 31, 1998. If current prices prevail during the second quarter of 1998, CHK expects to record a further impairment as of June 30, 1998, assuming the Pending Acquisitions are consummated.

DRILLING AND OPERATING RISKS

Oil and gas drilling activities are subject to numerous risks, many of which are beyond CHK's control. CHK's operations may be curtailed, delayed or canceled as a result of title problems, weather conditions, compliance with governmental requirements, mechanical difficulties and shortages or delays in the delivery of equipment. In addition, CHK's properties may be susceptible to hydrocarbon drainage from production by other operators on adjacent properties. Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards such as oil spills, gas leaks, ruptures or discharges of toxic gases, the occurrence of any of which could result in substantial losses to CHK due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations.

CHK has been among the most active drillers of horizontal wells and expects to drill a significant number of deep horizontal wells in the future. CHK's horizontal drilling activities involve greater risk of mechanical problems than conventional vertical drilling operations.

In accordance with customary industry practice, CHK maintains insurance against some, but not all, of the risks described above. There can be no assurance that any insurance will be adequate to cover losses or liabilities. CHK cannot predict the continued availability of insurance, or its availability at premium levels that justify its purchase.

RESTRICTIONS IMPOSED BY LENDERS

The instruments governing the indebtedness of CHK and certain of its subsidiaries may impose significant operating and financial restrictions on CHK. The terms of such indebtedness affect, and in many respects significantly limit or prohibit, among other things, the ability of CHK to incur additional indebtedness, pay dividends, repay indebtedness prior to its stated maturity, sell assets or engage in mergers or acquisitions. These restrictions could also limit the ability of CHK to effect future financings, make needed capital expenditures, withstand a future downturn in CHK's business or the economy in general, or otherwise conduct necessary corporate activities. A failure by CHK to comply with these restrictions could lead to a default under the terms of such indebtedness. In the event of default, the holders of such indebtedness could elect to declare all of the funds borrowed pursuant thereto due and payable together with accrued and unpaid interest. In such event, there can be no assurance that CHK would be able to make such payments or borrow sufficient funds from alternative sources to make any such payment. Even if additional financing could be obtained, there can be no assurance that it would be on terms that are favorable or acceptable to CHK. In addition, certain indebtedness incurred by Chesapeake Acquisition Corporation, a wholly owned subsidiary of CHK, is secured by Chesapeake Acquisition Corporation's pledge of its subsidiaries' capital stock, prohibiting Chesapeake Acquisition Corporation from incurring additional indebtedness.

GOVERNMENTAL REGULATION

Oil and gas operations are subject to various federal, state and local governmental regulations which may be changed from time to time in response to economic or political conditions. From time to time, regulatory agencies have imposed price controls and limitations on production in order to conserve supplies of oil and gas. In addition, the production, handling, storage, transportation and disposal of oil and gas, by-products thereof and other substances and materials produced or used in connection with oil and gas operations are subject to regulation under federal, state and local laws and regulations primarily relating to protection of human health and the environment. To date, expenditures related to complying with these laws and for remediation of existing environmental contamination have not been significant in relation to the results of operations of CHK. There can be no assurance that the trend of more expansive and stricter environmental legislation and regulation will not continue.

CHK is subject to a variety of federal, state and local governmental laws and regulations related to the storage, use, discharge and disposal of toxic, volatile or otherwise hazardous materials. These regulations subject CHK to increased operating costs and potential liability associated with the use and disposal of hazardous materials. Although these laws and regulations have not had a material adverse effect on CHK's financial condition or results of operations, there can be no assurance that CHK will not be required to make material expenditures in the future. Moreover, CHK

anticipates that such laws and regulations will become increasingly stringent in the future, which could lead to material costs for environmental compliance and remediation by CHK.

Any failure by CHK to obtain required permits for, control the use of, or adequately restrict the discharge of hazardous substances under present or future regulations could subject CHK to substantial liability or could cause its operations to be suspended. Such liability or suspension of operations could have a material adverse effect on CHK's business, financial condition and results of operations.

COMPETITION

CHK operates in a highly competitive environment. CHK competes with major and independent oil and gas companies for the acquisition of desirable oil and gas properties, as well as for the equipment and labor required to develop and operate such properties. Many of these competitors have financial and other resources substantially greater than those of CHK.

RELIANCE ON KEY PERSONNEL; CONFLICTS OF INTEREST

CHK is dependent upon its Chief Executive Officer, Aubrey K. McClendon, and its Chief Operating Officer, Tom L. Ward. The unexpected loss of the services of either of these executive officers could have a detrimental effect on CHK. CHK maintains $20 million key man life insurance policies on the life of each of Messrs. McClendon and Ward. Messrs. McClendon and Ward, together with another executive officer of CHK, have rights to participate in wells drilled by CHK. Messrs. McClendon and Ward have elected to participate during all periods since CHK's initial public offering in 1993 with individual interests of between 1.0% and 1.5%. Such participation may create interests which conflict with those of CHK.

CONTROL BY CERTAIN SHAREHOLDERS

At April 17, 1998, Aubrey K. McClendon, Tom L. Ward, The Aubrey K. McClendon Children's Trust and the Tom L. Ward Children's Trust beneficially owned an aggregate of 24,710,827 shares (including outstanding vested options) representing approximately 24% of outstanding CHK Common Stock, and members of CHK's Board of Directors and executive officers, including Messrs. McClendon and Ward and their respective children's trusts, beneficially owned an aggregate of 28,222,203 shares (including outstanding vested options), which represented 27% of outstanding CHK Common Stock. As a result, Messrs. McClendon and Ward, together with other executive officers and directors of CHK, are in a position to significantly influence matters requiring the vote or consent of CHK's shareholders.

After the issuance by CHK of an additional 5,000,000 shares in the DLB Merger, the ownership of CHK Common Stock by Messrs. McClendon and Ward and their respective children's trusts will decrease to 23% and the ownership of CHK's Directors and Executive Officers as a group will decrease to approximately 26% of the issued and outstanding shares of CHK Common Stock, respectively.

SHARES AVAILABLE FOR FUTURE SALE

Subject to the restrictions described in "Selling Shareholders" and applicable law, the Selling Shareholders are free to sell, without restrictions, at their election, all or part of the shares of CHK Common Stock received by such persons in connection with the DLB Merger and the AnSon Merger, respectively. No prediction can be made as to the effect, if any, that future sales of CHK Common Stock, or the availability of CHK Common Stock for future sale, may have on the market price of the CHK Common Stock prevailing from time to time. Sales of substantial amounts of CHK Common Stock or the perception that such sales might occur could adversely affect prevailing market prices for the CHK Common Stock.

USE OF PROCEEDS

The Selling Shareholders, not CHK, will receive the proceeds from the sale by the Selling Shareholders of the Offered Shares.

SELLING SHAREHOLDERS

The following table sets forth (i) the name of each of the Selling Shareholders, (ii) the number of shares of CHK Common Stock beneficially owned by each Selling Shareholder prior to the offering and being offered hereby, and (iii) the number of shares of CHK Common Stock beneficially owned by each Selling Shareholder after completion of the offering.

	SHARES BENEFICIALLY OWNED PRIOR TO OFFERING (1)			
SELLING SHAREHOLDER	NUMBER OF SHARES	PERCENT OF CLASS (2)	SHARES BEING OFFERED	SHARES BENEFICIALLY OWNED AFTER OFFERING(1)
AnSon Partners Limited Partnership	3,792,724	3.6%	3,792,724	0
Charles E. Davidson	2,890,405	2.7%	2,890,405	0
Total:	6,683,129	6.3%	6,683,129	

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(1) Assumes that all of the shares of CHK Common Stock held by the Selling Shareholders are sold and that the Selling Shareholders acquire no additional shares of CHK Common Stock prior to completion of this offering.

(2) Including the 5,000,000 shares of CHK Common Stock to be issued in connection with the DLB Merger.

DAVIDSON REGISTRATION RIGHTS AGREEMENT. As a condition to the DLB Merger Agreement, CHK entered into a Registration Rights Agreement, as amended, with Davidson (the "Davidson Registration Rights Agreement"), a copy of which is incorporated by reference as an exhibit to the Registration Statement of which this Prospectus is a part. Pursuant to the Davidson Registration Rights Agreement, CHK has agreed to file a registration statement for the Davidson Shares and to maintain the registration statement continuously effective until the later to occur of (i) 90 days after the DLB Merger and (ii) 30 days after the Hugoton Merger. Additionally, if CHK at any time proposes to register any of its equity securities under the Securities Act (subject to limitations in the Davidson Registration Rights Agreement) on a form and in a manner that would permit registration of Davidson's Shares, Davidson will have the right to request that CHK register any shares of CHK Common Stock owned by Davidson that he requests be registered (the "Piggyback Registration Right"). Davidson's Piggyback Registration Right is subject to limitations referred to in the Davidson Registration Rights Agreement, including the priority of the shares to be sold by CHK in such registration if the underwriters in any offering inform CHK that the amount of shares that can be sold in such offering is less than the amount of shares to be registered by CHK and requested to be registered by the Selling Shareholder. In such case, CHK's shares have priority and the shares owned by Davidson will be included along with all other shares to be registered by other shareholders exercising similar piggyback registration rights on a pro rata basis.

In addition to the provisions mentioned above, the Davidson Registration Rights Agreement includes provisions on the registration terms and procedures to be followed, the indemnification of CHK by Davidson, or vice versa, and contribution with regards to any loss incurred by either party pursuant to action taken under the Davidson Registration Rights Agreement, notices of claims, and the payment of fees and expenses associated with registration.

Prior to the consummation of the DLB Merger, Davidson was a member of the DLB Board and DLB's largest shareholder, owning approximately 57.7% of issued and outstanding Common Stock of DLB.

ANSON REGISTRATION RIGHTS AGREEMENT. As a condition to the AnSon Merger Agreement, CHK entered into a Registration Rights Agreement with AnSon (the "AnSon Registration Rights Agreement"), a copy of which is

incorporated by reference as an exhibit to the Registration Statement of which this Prospectus is a part. Pursuant to the AnSon Registration Rights Agreement, CHK has agreed to file a shelf registration for the shares issued to AnSon and to maintain the registration statement continuously effective until the first to occur of (i) 5:00 p.m. Oklahoma City time on March 31, 1999; or (ii) the date that AnSon sells or transfers all of the securities to be registered pursuant to the AnSon Registration Rights Agreement.

In addition to the provisions mentioned above, the AnSon Registration Rights Agreement includes provisions on the registration terms and procedures to be followed, restrictions on the sale of shares other than pursuant to the AnSon Registration Rights Agreement, the indemnification of CHK by AnSon, or vice versa, notice of claims and contribution with regards to any loss incurred by either party pursuant to action taken under the AnSon Registration Rights Agreement, notices of claims, and the payment of fees and expenses associated with registration.

ANSON PRICE GUARANTEE. Pursuant to the AnSon Merger Agreement, CHK acquired AnSon for a total consideration of $43 million, consisting of (i) the issuance of 3,792,724 shares of CHK Common Stock and (ii) cash in an amount to be determined by the difference of the per share net proceeds received by AnSon from the sale of the AnSon Shares multiplied by the number of AnSon Shares actually sold during a 30-day period commencing on that day of April 1998 on which AnSon Shares are first sold and the agreed value of such AnSon Shares, which was determined to be $11.3375 per share. Assuming net proceeds to AnSon of $5.625 per share of CHK Common Stock (the closing price of CHK Common Stock on April 9, 1998), the cash amount payable by CHK to AnSon would have been approximately $21.7 million. To receive the full cash payment, all AnSon Shares will have to be sold by AnSon within such 30-day period.

To the extent that the AnSon Shares are sold within such 30-day period at a net price of less than $11.3375 per share, CHK's cash payment will effectively reimburse AnSon for all or a portion of the underwriting discounts and commissions, if any, paid by AnSon in connection with such sale of the AnSon Shares.

THE COMPANY

CHK is an independent oil and gas company engaged in the exploration, production, development and acquisition of oil and natural gas in major onshore producing areas of the United States and Canada.

From inception in 1989 through December 31, 1997, CHK drilled and participated in a total of 824 gross (334 net) wells, of which 768 gross (312 net) wells were completed. From June 30, 1990 to December 31, 1997, CHK's estimated proved reserves increased to 448 billion cubic feet equivalent ("Bcfe") from 11 Bcfe and total assets increased to $953 million from $8 million. Despite its overall favorable record of growth, in the fiscal year ended June 30, 1997 and in the six month period ended December 31, 1997 (the "Transition Period"), CHK incurred net losses of $183 million and $32 million, respectively, primarily as a result of $236 million and $110 million, respectively, impairments of its oil and gas properties. The impairments were amounts by which CHK's capitalized costs of oil and gas properties exceeded the estimated present value of future net revenues from CHK's proved reserves at June 30, 1997 and at December 31, 1997, respectively. See "Risk Factors Impairment of Asset Value."

In response to the losses, CHK significantly revised its business strategy during the Transition Period. These revisions included (i) reducing the size and risk of its exploratory drilling program, especially in the Louisiana Austin Chalk Trend (the "Louisiana Trend"), (ii) acquiring significant quantities of long-lived natural gas reserves, particularly in the Mid-Continent region of the U.S., (iii) building a larger inventory of lower risk drilling opportunities through acquisitions and joint ventures and (iv) reducing its capital expenditure budget for exploration and development to more closely match anticipated cash flow from operations.

CHK has acquired or has agreed to acquire a substantial amount of proved oil and gas reserves through mergers and acquisitions of oil and gas properties. Since October 1997, CHK has entered into 10 transactions to acquire approximately 716 Bcfe of estimated proved reserves at an estimated cost of $717 million (including associated debt to be assumed and the value attributable to shares of CHK Common Stock to be issued, but excluding the value attributable to other assets, such as gathering systems, processing plants and other items). Of these transactions, one was closed in December 1997, three were closed in the first quarter of 1998 and six are pending. For a more detailed description of these transactions, see "Recent and Pending Acquisitions" in Item 1. "Business" of CHK's Transition Report on Form 10-K, which is incorporated by reference herein.

CHK's executive offices are located at 6100 North Western Avenue, Oklahoma City, Oklahoma 73118, and its telephone number at that location is (405) 848-8000.

For additional information concerning CHK and its subsidiaries, see "Available Information."

SECURITY OWNERSHIP OF DIRECTORS, OFFICERS AND CERTAIN BENEFICIAL OWNERS

The table below sets forth as of March 31, 1998 (i) the name and address of each person beneficially owning 5% or more of CHK's outstanding CHK Common Stock, the number of shares beneficially owned by each such shareholder and the percentage of outstanding shares owned and (ii) the number and percentage of outstanding shares of CHK Common Stock beneficially owned by each of the directors and executive officers and by all directors and executive officers of CHK as a group. Unless otherwise noted, the persons named below have sole voting and investment power with respect to such shares.

	CHK COMMON STOCK	
BENEFICIAL OWNER	NUMBER OF SHARES	% OF CLASS
Tom L. Ward*+..... 6100 North Western Avenue, Oklahoma City, OK 73118	11,333,751(a)(b)	11%
Aubrey K. McClendon*+..... 6100 North Western Avenue, Oklahoma City, OK 73118	11,069,376(b)(c)	11%
Pilgrim Baxter & Associates..... 1255 Drummers Lane, Wayne, PA 19087-1590	6,083,008(d)	6%
Floyd C. Wilson..... 8400 Killarney, Wichita, Kansas 67206	5,205,527(e)	5%
Shannon T. Self*.....	2,735,748(f)	3%
E. F. Heizer, Jr.*.....	1,058,150(g)	1%
Frederick B. Whittemore*.....	859,550(h)	**
Steven C. Dixon+.....	428,573(b)(i)	**
Walter C. Wilson*.....	251,750(j)	**
Breene M. Kerr*.....	204,500(k)	**
J. Mark Lester+.....	114,202(b)(l)	**
Marcus C. Rowland+.....	101,171(b)(m)	**
Henry J. Hood+.....	25,089(b)(n)	**
All directors and executive officers as a group.....	28,222,203(o)	27%

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* Director

\+ Executive officer of CHK

** Less than 1%

(a) Includes 1,846,860 shares held by TLW Investments, Inc., an Oklahoma corporation of which Mr. Ward is sole shareholder and chief executive officer, and 909,000 shares which may be acquired pursuant to currently exercisable stock options granted by CHK.

(b) Includes shares purchased on behalf of the executive officer in the Chesapeake Energy Corporation Savings and Incentive Stock Bonus Plan (Tom L. Ward, 6,701 shares; Aubrey K. McClendon, 3,544 shares; Steven C. Dixon, 1,451 shares; Marcus C. Rowland, 2,565 shares; J. Mark Lester, 1,434 shares and Henry J. Hood, 1,520 shares).

(c) Includes 508,560 shares held by Chesapeake Investments, an Oklahoma limited partnership of which Mr. McClendon is sole general partner, and 594,000 shares which may be acquired pursuant to currently exercisable stock options granted by CHK.

(d) Based on information provided in the January 31, 1998 Schedule 13G as filed with the SEC. (e) Based on information provided in the March 18, 1998 Schedule 13D as filed with the SEC. (f) Includes 2,382 shares held by Pearson Street Limited Partnership, an Oklahoma limited partnership of which Mr. Self is a general partner and the remaining partners are members of Mr. Self's immediate family sharing the same household; 1,098,600 shares held by Mr. Self as trustee of the Aubrey K. McClendon Children's Trust, 1,209,100 shares held by Mr. Self as trustee of the Tom L. Ward Children's Trust and 425,666 shares which Mr. Self has the right to acquire pursuant to currently exercisable stock options granted by CHK.

(g) Includes 348,500 shares subject to currently exercisable stock options granted to Mr. Heizer by CHK.

(h) Includes 41,700 shares held by Mr. Whittemore as trustee of the Whittemore Foundation and 377,750 shares subject to currently exercisable stock options granted to Mr. Whittemore by CHK.

(i) Includes 424,122 shares subject to currently exercisable stock options granted to Mr. Dixon by CHK.

(j) Includes 251,750 shares subject to currently exercisable stock options granted to Mr. Wilson by CHK.

(k) Includes 31,250 shares subject to currently exercisable stock options granted to Mr. Kerr by CHK.

(l) Includes 108,268 shares subject to currently exercisable stock options granted to Mr. Lester by CHK.

(m) Includes 40,500 shares subject to currently exercisable stock options granted to Mr. Rowland by CHK.

(n) Includes 21,375 shares subject to currently exercisable stock options granted to Mr. Hood by CHK.

(o) Includes shares subject to options which are currently exercisable.

PLAN OF DISTRIBUTION

Any distribution of the Davidson Shares or the AnSon Shares by Davidson or AnSon, respectively, or by pledgees, donees, transferees or other successors in interest, may be effected from time to time in one or more of the following transactions (which may involve crosses or block transactions) directly by the respective Selling Shareholder, or through agents, brokers, dealers or underwriters to be designated from time to time. Such distribution may be effected: (i) on the NYSE (or on such other national stock exchanges on which the CHK Common Stock may be listed from time to time) in transactions which may include special offerings, exchange distributions and/or secondary distributions pursuant to and in accordance with the rules of such exchanges, including sales to underwriters who will acquire the Offered Shares for their own account and resell them in one or more transactions or through brokers, acting as principal or agent, (ii) in the over-the-counter market, including sales through brokers, acting as principal or agent, (iii) in transactions other than on such exchanges or in the over-the-counter market, (iv) through the issuance of securities by issuers other than CHK convertible into, exchangeable for, or payable in such shares (whether such securities are listed on a national securities exchange or otherwise), (v) through the writing of options on the Offered Shares (whether such options are listed on an options exchange or otherwise), (vi) in a combination of such methods or (vii) by any other legally available means. Any such transactions may be effected at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at negotiated prices or at fixed prices.

Davidson, AnSon and any such underwriters, brokers, dealers or agents, upon effecting the sale of the Offered Shares may be deemed "underwriters" as that term is defined by the Securities Act.

Underwriters participating in any offering made pursuant to this Prospectus (as amended or supplemented from time to time) may receive underwriting discounts and commissions, and discounts or concessions may be allowed or reallowed or paid to dealers, and brokers or agents participating in such transactions may receive brokerage or agent's commissions or fees.

In order to comply with the securities laws of certain states, if applicable, the Offered Shares will be sold in such jurisdictions only through registered or licensed brokers or dealers. In addition, in certain states the Offered Shares may not be sold unless the Offered Shares have been registered or qualified for sale in such state or any exemption from registration or qualification is available and complied with.

Pursuant to the Davidson Registration Rights Agreement, CHK agreed to file a registration statement to include a prospectus that would permit Davidson to sell the Davidson Shares without restriction and to keep the registration statement continuously effective until the later to occur of (i) 90 days after the DLB Merger and (ii) 30 days after the Hugoton Merger. CHK has agreed to pay all expenses in connection with such registration and Davidson will bear the underwriting discounts, commissions and transfer taxes, if any. CHK and Davidson have agreed to indemnify each other and certain other persons against certain liabilities in connection with the offering of the Davidson Shares including liabilities arising under the Securities Act.

Pursuant to the AnSon Registration Rights Agreement, CHK agreed to file a shelf registration to include a prospectus that would permit AnSon to sell the AnSon Shares without restriction and to keep the registration statement continuously effective for the first to occur of (i) 5:00 p.m. Oklahoma City time on March 31, 1999 and (ii) the date that AnSon sells or transfers all of the securities to be registered pursuant to the AnSon Registration Rights Agreement. CHK has agreed to pay all registration expenses in connection with such registration and AnSon will pay all selling expenses. To the extent that the AnSon Shares are sold within a certain 30-day period at a net price of less than $11.3375 per share, Chesapeake will be obligated pursuant to the AnSon Merger Agreement to pay to AnSon cash in the amount of the AnSon Price Guarantee. Such cash payment will effectively reimburse AnSon for all or a portion of the underwriting discounts and commissions, if any, incurred by AnSon in connection with such sale of such AnSon Shares. See "Summary - AnSon Price Guarantee" and "Selling Shareholders." CHK and AnSon have agreed to indemnify each other and certain other persons against certain liabilities in connection with the offering of the AnSon Shares including liabilities arising under the Securities Act.

LEGAL MATTERS

The legality of the CHK Common Stock offered hereby will be passed upon for CHK by Andrews & Kurth L.L.P., Houston, Texas.

EXPERTS

The consolidated financial statements of CHK as of June 30, 1997 and 1996 and for the six months ended December 31, 1997 and each of the two years in the period ended June 30, 1997, incorporated by reference in this Prospectus, have been incorporated herein in reliance on the report of Coopers & Lybrand L.L.P., independent accountants, given on the authority of that firm as experts in accounting and auditing.

The consolidated financial statements of CHK for the year ended June 30, 1995, incorporated by reference in this Prospectus, have been incorporated herein in reliance on the report of Price Waterhouse LLP, independent accountants, given on the authority of that firm as experts in accounting and auditing.

Effective July 1, 1996, Price Waterhouse LLP sold its Oklahoma City practice to Coopers & Lybrand L.L.P. and resigned as CHK's independent accountants.

Certain estimates of oil and gas reserves included and incorporated by reference herein were based upon engineering studies prepared by Williamson Petroleum Consultants, Inc., Porter Engineering Associates and Netherland, Sewell & Associates, Inc., independent petroleum engineers. Such estimates are included or incorporated herein in reliance on the authority of such firm as experts in such matters.

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY CHESAPEAKE ENERGY CORPORATION, THE SELLING SHAREHOLDERS OR ANY UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF CHESAPEAKE ENERGY CORPORATION SINCE SUCH DATE.

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6,683,129 SHARES

CHESAPEAKE ENERGY CORPORATION

COMMON STOCK

PROSPECTUS

, 1998

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following are the estimated expenses (except for the Commission filing fee) of the issuance and distribution of the securities being registered payable by CHK. None of such expenses will be paid by Davidson or AnSon.

Securities and Exchange Commission Registration Fee.....	$10,782
Accountants' fees and expenses.....	$10,000
Counsel fees and expenses.....	$20,000
Miscellaneous.....	$ 9,218
Total.....	$50,000

The Registrant has agreed to bear all expenses in connection with the registration of the shares being offered by the Selling Shareholders. The Selling Shareholders will bear any underwriting discounts, commissions and transfer taxes, if any, associated with the sale of the Offered Shares. The Registrant has agreed to indemnify the Selling Shareholders against certain liabilities including liabilities under the Securities Act.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The OGCA permits a corporation to indemnify officers, directors, employees and agents for actions taken in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interest of the corporation, and with respect to any criminal action, which they had no reasonable cause to believe was unlawful. The OGCA also provides that a corporation may advance expenses of defense (upon receipt of a written undertaking to reimburse the corporation if indemnification is not appropriate) and must reimburse a successful defendant for expenses, including attorney's fees, actually and reasonably incurred, and permit a corporation to purchase and maintain liability insurance for its directors and officers.

The CHK Charter and Bylaws provide that the corporation shall indemnify any person who is or was made, or threatened to be made, a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture or other enterprise, against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, including attorney fees, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation; and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action proceeding, had reasonable cause to believe that such person's conduct was unlawful.

Additionally, pursuant to the CHK Bylaws with respect to derivative proceedings, no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to such corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper. The OGCA also provides that any indemnification, unless ordered by a court, shall be made by the corporation upon a determination that indemnification of such party is proper because such party has met the applicable standard of conduct. Such determination may be made (1) by the board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; (2) if such quorum is not obtainable (or even if obtainable) and a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or (3) by the shareholders.

Director Liability. The OGCA permits a corporation to include a provision in its certificate of incorporation eliminating or limiting the personal liability of a director to the corporation or its shareholders for damages for breach of the director's fiduciary duty subject to certain limitations. The CHK Charter includes such a provision, as set forth below.

The CHK Charter provides that a director will not be personally liable to the corporation or its shareholders for damages for breach of fiduciary duty as director, except for personal liability (i) for acts or omissions by such director not in good faith or which involve intentional misconduct or a knowing violation of law; (ii) under Section 1053 of the OGCA, which concerns unlawful payments of dividends, stock purchases or redemption; (iii) for any breach of the director's duty of loyalty to the corporation or its shareholders; or (iv) for any transaction from which the director derived improper benefit. While these provisions provide directors with protection from liability for monetary damages for breaches of their duty of care, they do not eliminate such duty. Accordingly, these provisions will have no effect on the availability of equitable remedies such as an injunction or rescission based on a director's breach of his or her duty of care. The provisions described above apply to an officer of the corporation only if he or she is a director of the corporation and is acting in his or her capacity as director, and do not apply to officers of the corporation who are not directors.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit Number	Description of Exhibits
2.1	Agreement and Plan of Merger, dated as of November 12, 1997, among Chesapeake Energy Corporation, Chesapeake Merger Corp., and DLB Oil & Gas, Inc. (incorporated herein by reference to Exhibit 2.1 to Registrant's Registration Statement on Form S-4 (File No. 333-48735)).
2.2	Amendment No. 1, dated as of December 22, 1997, to the Agreement and Plan of Merger among Chesapeake Energy Corporation, Chesapeake Merger Corp., and DLB Oil & Gas, Inc. (incorporated herein by reference to Exhibit 2.2 to Registrant's Registration Statement on Form S-4 (File No. 333-48735)).
2.3	Amendment No. 2, dated as of February 11, 1998, to the Agreement and Plan of Merger among Chesapeake Energy Corporation, Chesapeake Merger Corp., and DLB Oil & Gas, Inc. (incorporated herein by reference to Exhibit 2.2 to Registrant's Registration Statement on Form S-4 (File No. 333-48735)).
2.4	Amendment No. 3, dated as of March 24, 1998, to the Agreement and Plan of Merger among Chesapeake Energy Corporation, Chesapeake Merger Corp., and DLB Oil & Gas, Inc. (incorporated herein by reference to Exhibit 2.3 to Registrant's Registration Statement on Form S-4 (File No. 333-48735)).
2.5	Merger Agreement, dated as of October 22, 1997, among Chesapeake Energy Corporation, Chesapeake Merger II Corp. and AnSon Partners Limited Partnership.*
2.6	Amendment No. 1, dated as of December 15, 1997, to the Merger Agreement among Chesapeake Energy Corporation, Chesapeake Merger II Corp. and AnSon Partners Limited Partnership.*
3.1	Certificate of Incorporation of Chesapeake Energy Corporation (incorporated herein by reference to Exhibit 3.1 to Registrant's transition report on Form 10-K for the six months ended December 31, 1997).
3.2	Bylaws of Chesapeake Energy Corporation (incorporated herein by reference to Exhibit 3.2 to Registrant's registration statement on Form 8-B (No. 001-137200)).
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4.3	Registration Rights Agreement, dated as of December 16, 1997, by and between Chesapeake Energy Corporation and AnSon Partners Limited Partnership (incorporated by reference to Exhibit 4.12 to Registrant's Registration Statement on Form S-4 (File No. 333-48735)).
4.4	Registration Rights Agreement, dated as of March 10, 1998, among Chesapeake Energy Corporation and former shareholders of Hugoton Energy Corporation (incorporated by reference to Exhibit 4.11 to Registrant's Registration Statement on Form S-4 (File No. 333-48735)).
5.1	Opinion of Andrews & Kurth L.L.P. regarding the legality of the securities to be registered.*
23.1	Consent of Andrews & Kurth L.L.P. (included in Exhibit 5.1).
23.2	Consent of Coopers & Lybrand L.L.P.*
23.3	Consent of Price Waterhouse LLP.*
23.4	Consent of Williamson Petroleum Consultants.*
23.5	Consent of Netherland, Sewell & Associates, Inc.*
23.6	Consent of Porter Engineering Associates.*
24.1	Powers of Attorney (included in the signature pages of this Registration Statement).

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* Filed herewith

ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement. Provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering; and

(4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oklahoma City, State of Oklahoma, on April 20, 1998.

CHESAPEAKE ENERGY CORPORATION

By: /s/ Aubrey K. McClendon
Aubrey K. McClendon
Chairman of the Board
and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of Chesapeake Energy Corporation hereby constitutes and appoints Aubrey K. McClendon, Tom L. Ward and Marcus C. Rowland, and each of them, his true and lawful attorney-in-fact and agent, with full power to act without the other and with full power of substitution and resubstitution, for him and on his behalf and in his name, place and stead, in any and all capacities, to sign, execute and file with the Securities and Exchange commission and any state securities regulatory board or commission any documents relating to the proposed issuance and registration of the securities offered pursuant to this Registration Statement on Form S-3 under the Securities Act, including, any and all amendments (including post-effective amendments and amendments thereto) to this Registration Statement on Form S-3 and any registration statement for the same offering that is to be effective upon the filing pursuant to rule 462(b) under the Securities Act, with all exhibits and any and all documents required to be filed with respect thereto, with any regulatory authority, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises in order to effectuate the same as fully to all intents and purposes as he himself might or could do if personally present, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their substitute or substitutes, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Act, as amended, this Registration Statement on Form S-3 has been signed by the following persons in the capacities indicated.

Name	Title	Date
/s/ Aubrey K. McClendon Aubrey K. McClendon	Chairman of the Board of Directors, Chief Executive Officer and Director (Principal Executive Officer)	April 20, 1998
/s/ Tom L. Ward Tom L. Ward	President, Chief Operating Officer and Director (Principal Executive Officer)	April 20, 1998
/s/ Marcus C. Rowland Marcus C. Rowland	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	April 20, 1998
/s/ Ronald A. Lefaive Ronald A. Lefaive	Senior Vice President - Accounting, Controller and Chief Accounting Officer (Principal Accounting Officer)	April 20, 1998
/s/ Edgar F. Heizer, Jr. Edgar F. Heizer, Jr.	Director	April 20, 1998
/s/ Breene M. Kerr Breene M. Kerr	Director	April 20, 1998
/s/ Shannon T. Self Shannon T. Self	Director	April 20, 1998

/s/ Frederick B. Whittemore Frederick B. Whittemore	Director	April 20, 1998
/s/ Walter C. Wilson Walter C. Wilson	Director	April 20, 1998

EXHIBIT INDEX

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23.5	Consent of Netherland, Sewell & Associates, Inc.*
23.6	Consent of Porter Engineering Associates.*
24.1	Powers of Attorney (included in the signature pages of this Registration Statement).

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* Filed herewith

EXHIBIT 2.5

MERGER AGREEMENT AND PLAN OF REORGANIZATION

AMONG

CHESAPEAKE ENERGY CORPORATION,

CHESAPEAKE MERGER II CORP.

AND

ANSON PARTNERS LIMITED PARTNERSHIP

OCTOBER 22, 1997

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SCHEDULES

EXHIBITS

MERGER AGREEMENT AND PLAN OF REORGANIZATION

THIS MERGER AGREEMENT AND PLAN OF REORGANIZATION (the "Agreement"), is entered into this 22nd day of October, 1997, among CHESAPEAKE ENERGY CORPORATION, an Oklahoma corporation ("CEC"), CHESAPEAKE MERGER II CORP., an Oklahoma corporation ("CMC"), ANSON PARTNERS LIMITED PARTNERSHIP, an Oklahoma limited partnership ("AP") and ANSON PRODUCTION CORPORATION, an Oklahoma corporation ("APC").

R E C I T A L S :

A. AP owns one hundred percent (100%) of the capital stock of APC and as of the Closing Date (hereinafter defined) APC will own and conduct as an ongoing concern all of the exploration and production of oil and gas business of AP and its affiliates (the "Oil and Gas Business"), which includes all of the producing and non-producing Interests (hereinafter defined) of AP and its affiliates as set forth in Section 3.3 hereof. AP and AP's partners and affiliates including, without limitation, APC are referred to collectively herein as the "AP Group."

B. CMC is a wholly owned subsidiary of CEC. CEC and CMC are referred to collectively herein as the "CEC Group."

C. The CEC Group and all of the limited and general partners of AP (the "Partners") deem it advisable and in the best interests of the CEC Group's shareholders and AP's Partners that CMC use shares of CEC common stock, par value of $0.01 per share (the "CEC" Common Stock") to effect the merger of APC into CMC (the "Merger") pursuant to this Agreement and the applicable provisions of the Oklahoma General Corporation Act (the "Oklahoma Act").

D. Upon consummation of the Merger pursuant to this Agreement, all of the issued and outstanding capital stock of APC (the "APC Shares") will be converted into a number of shares of CEC Common Stock as determined in accordance with the terms of this Agreement.

E. The CEC Group and the AP Group, respectively, have approved and adopted this Agreement with respect to the Merger as a transaction that qualifies as a tax free reorganization under the provisions of Section 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE, for and in consideration of the recitals and the mutual covenants and agreements set forth in this Agreement and for the purpose of prescribing the terms and conditions for the Merger, the parties hereby agree as follows:

1. Merger. The Merger will be consummated as follows:

1.1 The Merger. In accordance with the Oklahoma Act, on the Closing Date (as defined in Section 2 below), APC will be merged with and into CMC, in a transaction intended to qualify as a tax free reorganization under Section 368(a)(2)(D) of the Code. Immediately following the Merger, the separate corporate existence of APC will cease and CMC, as the surviving corporation (the "Surviving Corporation"), will continue to exist under and be governed by the Oklahoma Act as an indirect, wholly-owned subsidiary of CEC.

1.2 Certificate of Merger. As soon as practicable after the satisfaction or waiver of all of the conditions to the Merger, at the Closing (as defined in Section 2), the parties shall cause the Merger to be consummated by causing a Certificate of Merger (the "Filed Agreement") substantially in the form of Exhibit 1.2, to be executed and filed in accordance with the relevant provisions of the Oklahoma Act.

1.3 Effects of the Merger. The Merger shall have the effect set forth in Section 1081 of the Oklahoma Act. Without limiting the generality of the foregoing, at the Effective Time, (as defined in Section 2) all the properties, rights, privileges, powers and franchises of APC and CMC shall vest in the Surviving Corporation, and all debts, liabilities and duties of APC and CMC shall become the debts, liabilities and duties of the Surviving Corporation in the same manner as if the Surviving Corporation had itself incurred them.

1.4 Certificate of Incorporation and Bylaws of the Surviving Corporation. The Certificate of Incorporation of CMC, as in effect immediately prior to the Closing Date, shall be the Certificate of Incorporation of the Surviving Corporation, until thereafter amended in accordance with the provisions thereof and applicable law. The Bylaws of CMC in effect at the Closing Date shall be the Bylaws of the Surviving Corporation until amended in accordance with the provisions thereof and applicable law.

1.5 Directors. The directors of CMC immediately prior to the Closing Date shall be the directors of the Surviving Corporation and shall hold office until their respective successors are duly elected and qualified, or their earlier death, resignation or removal.

1.6 Officers. The officers of CMC immediately prior to the Effective Time shall be the officers of the Surviving Corporation and shall hold office until their respective successors are duly elected and qualified, or their earlier death, resignation or removal.

1.7 Payment and Conversion. Subject to the terms and conditions of this Agreement, on the Closing Date, pursuant to the Oklahoma Act, APC will be merged with and into CMC and upon such Merger, the APC Shares will be automatically converted into the right to receive the number of shares of CEC

Common Stock determined by dividing FORTY-THREE MILLION DOLLARS ($43,000,000.00) by the Exchange Price (the "Exchange Shares"). The Exchange Price will be determined by adding the closing price of the CEC Common Stock as quoted on the New York Stock Exchange as of the close of business on the third (3rd) through the twelfth (12th) business trading days preceding the Closing Date and dividing the sum by ten (10). The number of Exchange Shares will be rounded up to the nearest whole number and no fractional shares will be issued.

1.8 Payment; Stock Certificates. On the Closing Date, AP will surrender all certificates evidencing the APC Shares and deliver them to CMC and CMC will cause the Exchange Shares to be registered in AP's name in one or more certificates, as reasonably requested by AP, and deliver it or them to AP. After the Closing Date and until delivered to CMC, the APC Shares will be deemed to represent only the right to receive, upon surrender, the portion attributable thereto of the Exchange Shares.

1.9 Adjustment to Merger Consideration. CEC and AP hereby agree that in connection with the sale of any Exchange Shares pursuant to a Piggyback Registration occurring prior to April 30, 1998, or a Requested Registration requested prior to April 30, 1998, as set forth in the Registration Rights Agreement attached hereto as Exhibit 1.9 (the "Registration Rights Agreement"): (a) to the extent that the proceeds received by AP net of the amount of the underwriting discounts and commissions on a per share basis as adjusted to account for any stock splits, stock dividends or other distributions in respect of the Exchange Shares (the "Per Share Price") does not equal or exceed the Exchange Price, CEC will or will cause CMC to pay to AP an amount equal to the difference between the Per Share Price and the Exchange Price multiplied by the number of Exchange Shares included in such registration; and (b) to the extent the Per Share Price exceeds one-hundred twenty percent (120%) of the Exchange Price, AP will pay CEC an amount equal to the difference in the Per Share Price and one hundred twenty percent (120%) of the Exchange Price multiplied by the number of Exchange Shares included in such registration. Any cash adjusting payments to be made pursuant to this Section 1.9 will be made by the party owing payment within five (5) days after the final account of the registration proceeds has been made and agreed to by CEC and AP.

2. Closing. Subject to the terms and provisions hereof, the closing of the transactions provided for herein (the "Closing") shall occur at 10:00 a.m. at the offices of Self, Giddens & Lees, Inc., 2725 Oklahoma Tower, Oklahoma City, Oklahoma on October 31, 1997 (the "Closing Date") unless another date, time or place is agreed to in writing by the parties hereto, but in any event will be effective as of 12:01 a.m. Oklahoma time on November 1, 1997 (the "Effective Time").

3. Representations and Warranties of AP. AP represents and warrants to the CEC Group as follows:

3.1 Organization, Good Standing, Etc. AP is a limited partnership duly formed, validly existing and in good standing under the laws of the State of Oklahoma and has the partnership authority to own AP's property and to carry on AP's business as now being considered. APC is a corporation duly organized, validly existing and in good standing under the laws of the State of Oklahoma and has the corporate power to own APC's property and to carry on APC's business as now being conducted. AP has the partnership power to execute and deliver this Agreement and to consummate the transactions contemplated hereby. On the Closing Date, APC will be duly qualified and/or licensed, as may be required, and in good standing in each of the jurisdictions in which the nature of the business conducted by APC or the character of the property owned, leased or used by APC makes such qualification and/or licensing necessary, except where the failure to be so qualified and/or licensed, and in good standing would not singly or in the aggregate have a material adverse effect on APC. AP has made available to CMC copies of the certificate of incorporation, bylaws and the records of meetings of the shareholders and boards of directors of APC which are complete and correct in all respects. All material corporate actions taken by APC since its organization and incorporation through the date hereof have been duly authorized or subsequently ratified as necessary. APC is not in default under or in violation of any provision of APC's certificate of incorporation or bylaws.

3.2 Capital Stock of APC. The authorized capital stock of APC consists of 50,000 shares of common stock, par value $1.00 per share ("APC Common Stock"), of which 42,920 shares are issued and outstanding and all of which are owned by AP. There are no treasury shares held by APC. The issued APC Common Stock is validly authorized and issued and fully paid and nonassessable. APC has not ever declared or paid any dividend, or declared or made any distribution on, or authorized the creation or issuance of, or issued, or authorized or effected any split-up or any other recapitalization of, any of its capital stock, or directly or indirectly redeemed, purchased or otherwise acquired any of its outstanding capital stock and, except as permitted by this Agreement, will not do so between the date of this Agreement and the Closing Date. There are no contractual obligations of APC to repurchase, redeem or otherwise acquire any outstanding shares of APC's capital stock. Further, there are no options, warrants or other rights to acquire any additional shares of capital stock of APC.

3.3 The Interests. APC is a wholly-owned affiliate of AP and as of the Closing Date, APC will own and conduct as an ongoing concern all of AP and its affiliates' Oil and Gas Business. APC has not ever engaged in an activity unrelated to the Oil and Gas Business. The Oil and Gas Business consists of the following:

3.3.1 Oil, gas and mineral leases and the operating rights, mineral interests, royalty interests, overriding royalty interests, payments out of production and interests in or under unit or pooling agreements covering lands located onshore in the continental United States and all real estate owned and leased in connection with the ownership or operation thereof including, without limitation, the interests described in Schedule "3.3.1" attached hereto as a part hereof (the "Real Property Interests");

3.3.2 All other contracts, agreements, leases, licenses, permits, rights (including without limitation rights in warranty and other choses in action), easements and orders relating to: (a) the Real Property Interests (or the lands covered thereby or pooled, unitized, or directly used or held for use in connection therewith), the operations conducted or to be conducted thereon, or the production, treatment, sale or disposal of hydrocarbons or water produced therefrom or attributable thereto; and (b) the Other Interests (as hereinafter defined);

3.3.3 All wells (including, without limitation, disposal, supply or injection wells), personal property, fixtures (including, without limitation, plants, gathering systems, pipelines, compressors and dehydration and other treatment facilities), equipment (including, without limitation, inventory, field trucks and vehicles and supplies) and improvements located on the Real Property Interests, or upon lands pooled, unitized, or directly used or held for use in connection therewith or with the operation or maintenance thereof, or with the production, treatment, sale or disposal of hydrocarbons or water produced therefrom or attributable thereto, and all original books, files, seismic records and tapes (to the extent the AP Group may convey ownership or rights concerning the use of same), other records and information of the AP Group (including without limitation all land, geological, geophysical and accounting files and records) pertaining to the Real Property Interests and the Oil and Gas Business;

3.3.4 All other businesses, operations, rights, titles and interests relating to the drilling, exploration, development, operation, marketing, sale or other disposal of oil, gas and other minerals including, without limitation, all of the businesses and activities conducted in APC's affiliates, AnSon Gas Marketing ("AGM") and AnSon Corporation and all other businesses and activities relating to any of the foregoing (the "Other Interests"); and

3.3.5 All other rights and interests in, to or under or derived from the Other Interests or the Real Property Interests, the lands covered

thereby or pooled, unitized or directly used or held for use in connection therewith.

3.3.6 As used herein, the term "Interests" means the aggregate of all rights, titles and interests owned by AP and/or any of its affiliates, or any of them, insofar as they relate to the Oil and Gas Business. The Interests shall not include the main frame computer and server and related equipment described in Schedule "3.3.6" attached hereto (the "Excluded Equipment") owned by AP, but will include all other computer and office equipment, furniture, fixtures, accessories and supplies. In addition, the New Mexico oil and gas interests and the salt water disposal wells described in Schedule "3.3.6" (collectively with the Excluded Equipment, the "Excluded Assets") will not be included in the Interests. AP will allow CMC access to and use of the Excluded Equipment from the Closing Date through March 31, 1998, as provided in the Sublease and Use Agreement attached hereto as Exhibit "6.8.2".

3.4 No Breach of Statute or Contract; Governmental Authorizations. Neither the execution and delivery of this Agreement nor compliance with the terms and provisions of this Agreement by the AP Group will violate any law, statute, rule or regulation of any governmental authority, or will on the Closing Date conflict with or result in a breach of any of the terms, conditions or provisions of any judgment, order, injunction, decree or ruling of any court or governmental agency or authority to which the AP Group is subject or, except as set forth in Schedule "3.4," of any material agreement or instrument to which the AP Group is a party or by which any of them is bound, or constitute a material default thereunder, or result in the creation of any material lien, charge or encumbrance upon any of the Interests or cause any acceleration of maturity of any material obligation or loan, or give to others any material interest or rights, including rights of termination or cancellation, in or with respect to any of the Interests.

3.5 Authorization of Agreement. The execution, delivery and performance of this Agreement by the members of the AP Group have been duly and validly authorized by all requisite partnership action. The execution, delivery and performance by the AP Group of all other agreements and transactions contemplated hereby have been, or prior to Closing will be, duly authorized and approved by all requisite partnership or corporate action on the part of the AP Group. This Agreement has been, and the other agreements and instruments contemplated hereby, when executed and delivered, will be, duly executed and delivered by each member of the AP Group as required and, assuming the due authorization, execution and delivery hereof and thereof by the other parties hereto or thereto, this Agreement constitutes and, when executed, each of the other agreements contemplated hereby will constitute, a valid and binding obligation of each member of the AP Group that is a party hereto or thereto, as the case may be, enforceable against each of them in

accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance and similar laws affecting creditors' rights generally from time to time and to general principles of equity, and in the case of the Registration Rights Agreement (as hereinafter defined), considerations of public policy.

3.6 Broker's or Finder's Fees. None of AP or any of its subsidiaries has incurred any liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement for which any member of the CEC Group or APC will have any responsibility whatsoever.

3.7 Permits. On the Closing Date, to the best of the AP Group's knowledge, APC will have all approvals, authorizations, consents, licenses, orders, franchises, rights, registrations and permits of all governmental agencies, whether federal, state or local, United States or foreign, required to permit the operation of APC's businesses as presently conducted (the "Permits") and each will be in full force and effect and will have been duly and validly issued, except where the absence of which, singly or in the aggregate, would not have a material adverse effect on APC. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not result in any revocation, cancellation, suspension or modification of any such Permit except where such revocation, cancellation, suspension or modification would not have a material adverse effect on APC. On the Closing Date, there will be no outstanding violation of any of the Permits singly or in the aggregate that would have a material adverse effect on APC.

3.8 Prior Obligations. None of the AP Group have any contractual obligation relating to the disposition, by merger or otherwise, of all or any of the equity securities of APC or of all or any significant portion of the Interests except as contained in this Agreement, except for obligations arising in the ordinary course of business of APC and except as disclosed in Schedule "3.8."

3.9 Title to the Interests. Except as set forth in Schedule "3.9," APC will have on the Closing Date good and defensible title of record to APC's respective properties comprising the Interests free and clear of all liens, pledges, claims, charges, security interests, production payments or other encumbrances except: (a) liens for current taxes and assessments not yet due, or being contested in good faith by appropriate proceedings; (b) such imperfections of title and encumbrances, if any, which do not have singly or in the aggregate a material adverse effect on APC; and (c) the volumetric production payment in favor of Cactus Hydrocarbon III Limited Partnership, the details of which are described in Schedule "3.9" attached hereto (the "Production Payments").

3.10 Compliance with Laws. Except as disclosed in Schedule "3.10," neither AP nor any of its subsidiaries is in violation of any applicable law, ordinance, regulation, writ, judgment, decree or order of any court or government or

governmental unit in connection with the Interests, the consequences of which singly or in the aggregate would have a material adverse effect on APC.

3.11 Oil and Gas Leases in Good Standing. Except as disclosed in Schedule "3.11," all oil and gas leases which are material singly or in the aggregate to APC are in full force and effect, and APC is not in default thereunder.

3.12 Taxes. All ad valorem, property, production, severance and similar taxes and assessments based on or measured by the ownership of property comprising the Interests or the production or removal of hydrocarbons or the receipt of proceeds therefrom have been timely paid when due and are not in arrears, except such things as are being contested in good faith by appropriate proceedings and as to which adequate reserves have been established in accordance with generally accepted accounting principles.

3.13 Claims or Litigation. Except as disclosed in Schedule "3.13," there is no material suit, action or other proceeding pending before any court or governmental agency and, to the knowledge of AP, there is no material claim, dispute, suit, action or other proceeding threatened, against APC, any of the Interests or AP.

3.14 Contracts, Consents and Preferential Rights. AP has described in Schedule "3.14"; (a) all partnership, joint venture, farmin/farmout, dry hole, bottom hole, acreage contribution, area of mutual interest, purchase and/or acquisition agreements of which any terms remain executory which materially affect the Interests; (b) all other executory contracts to which APC is a party which materially affect any item of the Interests; (c) all governmental or court approvals and third party contractual consents required in order to consummate the transactions contemplated by this Agreement, other than routine consents required in connection with transfers of U.S. federal, state and Indian leases; (d) all agreements pursuant to which third parties have preferential rights or similar rights to acquire any portion of the Interests upon the exchange contemplated by this Agreement; and (e) all other contracts and agreements which are in any single case of material importance to the business of APC.

3.15 Tax Partnerships. No item of the Real Property Interests nor any oil and gas property owned by APC is treated for income tax purposes as being owned by a partnership except for AGM and except as disclosed in Schedule "3.15."

3.16 Financial Statements. The cash flow and operating statements for the years ended December 31, 1995 and 1996, and for the six months ended June 30, 1997, for the AP Group Oil and Gas Business are true and correct in all material respects. To the best of the AP Group's knowledge, APC has no liabilities of any kind whatsoever, whether accrued, contingent or otherwise except as disclosed in Schedule "3.16" attached hereto and trade payables arising in the ordinary course of business.

3.17 Tax Matters. APC has never filed a tax return or report of any kind with any taxing jurisdiction, except an initial franchise tax return in the State of Oklahoma will be filed prior to Closing and no tax returns or taxes are due.

3.18 Insurance. AP will maintain or cause APC to maintain through the Closing Date, with financially sound and reputable insurers, insurance to the extent and against such hazards and liabilities and in such types and amounts as is commonly maintained by entities similarly situated.

3.19 Planned Future Commitments. APC has not planned or budgeted future expenditure commitments relating to the Real Property Interests (drilling of wells, workovers, contract settlements, pipeline projects, production facilities, etc.) or Other Interests in excess of $100,000.00 in the aggregate which are not disclosed in Schedule "3.19."

3.20 Environmental and Safety Matters. Except as set forth in Schedule "3.20" and insofar as it pertains to the Interests:

3.20.1 The AP Group is not aware, and has not received notice from any person, entity or governmental body, agency or commission, of any release, disposal, event, condition, circumstance, activity, practice or incident concerning any land, facility, asset or property that: (a) interferes with or prevents compliance or continued compliance by the AP Group (or by any member of the CEC Group after the Closing Date) with any United States, state or local law, regulation, code or ordinance or the terms of any license or permit issued pursuant thereto; or (b) gives rise to or results in any common law or other liability of APC to any person, entity or governmental body, agency or commission for damage or injury to natural resources, wildlife, human health or the environment which would have a material adverse effect on APC in each case.

3.20.2 The AP Group is not aware of any civil, criminal or administrative action, lawsuit, demand, litigation, claim, hearing, notice of violation, investigation or proceeding, pending or threatened, against any of the AP Group or operator of any of the lands, facilities, assets and properties owned or formerly owned, operated, leased or used by any of the AP Group as a result of the violation or breach of any federal, state, or local law, regulation, code or ordinance or any duty arising at common law to any person, entity or governmental body, singly or in the aggregate, which if determined adversely would have a material adverse effect on APC.

3.21 Investment Intent. Neither AP nor any of its affiliates presently own nor will they own prior to the Closing Date any CEC Common Stock. On the date first above written and the Closing Date, AP has and will have no present

intention to sell or otherwise dispose of any CEC Common Stock to be issued to it pursuant to this Agreement. On the Closing Date, AP is acquiring the CEC Common Stock for investment purposes and not with a view to or in connection with a distribution within the meaning of the Securities Act of 1933, as amended (the "33 Act"). AP understands and agrees that the certificates representing the CEC Common Stock will have a legend imprinted thereon to the following effect:

> "THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER STATE SECURITIES LAWS. SUCH SHARES OF COMMON STOCK MAY NOT BE SOLD, ASSIGNED, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SAID SECURITIES ACT COVERING THE TRANSFER OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER THAT REGISTRATION UNDER SAID SECURITIES ACT IS NOT REQUIRED."

3.22 Powers of Attorney. There are no outstanding powers of attorney relating to or affecting APC or any of the Interests.

3.23 Plugging Status. All wells on the Interests that have been permanently plugged and abandoned have been so plugged and abandoned in accordance in all material respects with all applicable requirements of each governmental authority having jurisdiction over APC and the Interests.

3.24 Equipment. The equipment has been installed, maintained and operated by the AP Group as a prudent operator in accordance with oil and gas industry standards, and is currently in a state of repair so as to be adequate for normal operations of the Interests.

3.25 Payout Balances. Schedule 3.25 attached hereto, contains a complete and accurate list of the status of any "payout" balance and gas balancing obligations and rights, as of September 30, 1997, for each oil and gas Interest that is subject to a reversion or other adjustment at some level of cost recovery or payout (or passage of time or other event, other than cessation of production).

3.26 Full Disclosure. The representations, warranties or other statements by the AP Group in this Agreement or in the Schedules hereto, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not misleading.

3.27 Affiliate Transactions. There are no transactions affecting any of the Interests between APC and any of its affiliates, except as set forth in Schedule "3.14"

attached hereto. As used in this Agreement, "affiliate" means, with respect to any person or entity, each other person or entity directly or indirectly controlling, controlled by or under common control with such person.

3.28 Intangible Property. There are no material trademarks, trade names, patents, service marks, brand names, computer programs, databases, industrial designs, copyrights or other intangible property that are necessary for the operation, or continued operation, or for the ownership and operation, or continued ownership and operation, of any of the Interests.

4. Representations and Warranties of the CEC Group. CEC and CMC represent and warrant to AP as follows:

4.1 Organization, Good Standing, Etc. CEC and CMC are corporations duly organized, validly existing and in good standing under the laws of the State of Oklahoma. CEC and CMC have the corporate power to own their property and to carry on their business as now being conducted. CEC and CMC have the corporate power to execute and deliver this Agreement and to consummate the transactions contemplated hereby. On the Closing Date, CEC and CMC will be duly qualified and/or licensed and in good standing in each of the jurisdictions in which the nature of the business conducted by them or the character of the property owned, leased or used by any of them makes such qualification and/or licensing necessary, except in such jurisdictions where the failure to be so qualified or licensed would not have a material adverse effect on CEC and its consolidated subsidiaries considered as one enterprise. CMC is a wholly owned subsidiary of CEC. Neither CEC nor CMC is in default under or in violation of any provision of their respective certificate of incorporation or bylaws.

4.2 Capital Stock of CEC. The authorized capital stock of CEC consists of 100,000,000 shares of CEC Common Stock and 10,000,000 shares of preferred stock of which 70,376,462 shares of CEC Common Stock and no shares of preferred stock were issued and outstanding as of September 30, 1997. Each share of CEC Common Stock to be issued pursuant to this Agreement will be subject to the Registration Rights Agreement.

4.3 SEC Documents. CEC has delivered or made available to AP each registration statement, report, definitive proxy statement or definitive information statement and all exhibits thereto filed since December 31, 1996, each in the form (including exhibits and any amendments thereto) filed with the SEC (collectively, the "CEC Reports"). The CEC Reports, which, except as otherwise disclosed, were filed with the SEC in a timely manner, constitute all forms, reports and documents required to be filed by CEC under the 33 Act, the Securities Exchange Act of 1934, as amended (the "34 Act") and the rules and regulations promulgated thereunder. As of their respective dates, the CEC Reports (i) complied as to form in all material respects with the applicable requirements of the 33 Act and the 34 Act and (ii) did not contain

any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. Each of the balance sheets of CEC included in or incorporated by reference into the CEC Reports (including the related notes and schedules) fairly presents the financial position of CEC as of its date and each of the statements of income, retained earnings and cash flows of CEC included in or incorporated by reference into the CEC Reports (including any related notes and schedules) fairly presents the results of operations, retained earnings or cash flows, as the case may be, of CEC for the periods set forth therein (subject, in the case of unaudited statements, to normal year-end audit adjustments which would not be material in amount or effect), in each case in accordance with generally accepted accounting principles consistently applied during the periods involved, except as may be noted therein and except, in the case of any unaudited statements, as permitted by Form 10-Q promulgated under the 34 Act.

4.4 No Breach of Statute or Contract; Governmental Authorizations. Neither the execution and delivery of this Agreement nor compliance with the terms and provisions of this Agreement by the CEC Group will violate any law, statute, rule or regulation of any governmental authority, or will on the Closing Date conflict with or result in a breach of any of the terms, conditions or provisions of any judgment, order, injunction, decree or ruling of any court or governmental agency, authority to which CEC or its subsidiaries is subject or of any agreement or instrument to which CEC or its subsidiaries is a party or by which any of them is bound, or constitute a material default thereunder, or result in the creation of any material lien, charge or encumbrance upon any property or assets of CEC or its subsidiaries or cause any acceleration of maturity of any material obligation or loan, or give to others any material interest or rights, including rights of termination or cancellation, in or with respect to any of the properties, assets, agreements, contracts or business of CEC or its subsidiaries.

4.5 Authorization of Agreement. As of the Closing Date, the execution, delivery and performance of this Agreement by the members of the CEC Group will have been duly and validly authorized and approved by all requisite corporate action on the part of each member of the CEC Group. The execution, delivery and performance by each member of the CEC Group of all other agreements and transactions contemplated hereby have been or prior to Closing will be, duly authorized and approved by all requisite corporate action on the part of each member of the CEC Group. This Agreement has been, and the other agreements contemplated hereby, when executed and delivered, will be, duly executed and delivered by each member of the CEC Group as required and, assuming the due authorization, execution and delivery hereof and thereof by the other parties hereto or thereto, this Agreement constitutes and, when executed, each of the other agreements contemplated hereby will constitute, a valid and binding obligation of each

member of the CEC Group that is a party hereto or thereto, as the case may be, enforceable against each of them in accordance with its terms subject to applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance and similar laws affecting creditors' rights generally from time to time and to general principles of equity, and in the case of the Registration Rights Agreement, considerations of public policy.

4.6 Broker's or Finder's Fees. No member of the CEC Group has incurred any liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement for which any member of the AP Group shall have any responsibility whatsoever.

4.7 The Oklahoma Act Provisions. Section 1090.3 of the Oklahoma Act does not prohibit or restrict the issuance of shares of CEC Common Stock to AP pursuant hereto or the other transactions contemplated hereby. The Control Share Acquisition Act as set forth in Sections 1145 through 1155 of the Oklahoma Act is not applicable to CEC and will not be applicable to this Agreement and the issuance of the shares of CEC Common Stock to be issued to AP pursuant hereto and the other transactions contemplated hereby.

4.8 No Violations. The execution and delivery of this Agreement does not, and the consummation of the transaction contemplated hereby will not conflict with, result in any violation of or default (with or without notice or lapse of time or both) under, give rise to a right of termination, cancellation, acceleration of any obligation or to the loss of a material benefit under, or result in the creation of any lien or encumbrance on any of the properties or assets of the CEC Group under, any provision of (a) the certificate of incorporation or by-laws of the CEC Group, (b) any loan or credit agreement, note, bond, mortgage, indenture, lease, permit, concession, franchise, license or other agreement, instrument or obligation applicable to the CEC Group, or (c) assuming the consents, approvals, authorizations or permits and filings or notifications referred to in Section 4.8 are duly and timely obtained or made, any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the CEC Group or properties or assets of the CEC Group, other than, in the case of clause (b) above, any conflict, violation, default, right, loss or lien that, individually or in the aggregate, would not have a material Adverse Effect on the CEC Group.

4.9 Consents and Approvals. Except as otherwise set forth in Schedule 4.9, no consent, approval, order or authorization of, registration, declaration or filing with, or permit from, any governmental authority is required by or with respect to CEC or CMC in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, except for: (a) consents, approvals, orders, authorizations, registrations, declarations, filings or permits which the failure to obtain or make would not, individually or in the aggregate, have a material adverse effect on CEC and CMC; (b) the filing of the Certificate of Merger with the Secretary of State

of Oklahoma pursuant to the provisions of the Oklahoma Act; (c) if required, the filing of a pre- merger notification report by CEC under the HSR Act and the expiration or termination of the applicable waiting period. Except as otherwise set forth in Schedule 4.9, no third-party consent is required by or with respect to the CEC Group in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby except for any third party consent which the failure to obtain would not, individually or in the aggregate, have a material adverse effect on the CEC Group.

4.10 Litigation. There is no litigation, proceeding or investigation pending or, to the knowledge of the CEC Group threatened against or affecting the CEC Group that questions the validity or enforceability of this Agreement or any other document, instrument or agreement to be executed and delivered by the CEC Group in connection with the transaction contemplated hereby. Except as otherwise set forth in Schedule 4.10 or the CEC Reports, no litigation, arbitration or other proceeding of any governmental authority is pending, or to the CEC Group's knowledge, threatened against the CEC Group which if adversely determined, would individually or in the aggregate, have a material adverse effect on the CEC Group.

4.11 Vote Required. No vote of the matters of any class or series of CEC capital stock or other voting securities is necessary to approve this Agreement, the merger of the transactions contemplated hereby.

5. Conduct and Transactions Prior to Closing Date. Between the effective date of this Agreement and the Closing Date, the CEC Group and the AP Group will each comply with the following:

5.1 Investigation by AP. Between the date of this Agreement and the Closing, CEC shall give AP, its agents and representatives, copies of any registration statement, report, definitive proxy statement or definitive information statement and all exhibits thereto, each in the form filed with the SEC.

5.2 Investigation by CEC/Operation of Business of the AP Group. Between the date of this Agreement and the Closing Date:

5.2.1 Insofar as related to the Interests, the AP Group will give the CEC Group and their agents and representatives, reasonable access to all of the books and records of the APC Group and the properties of AP Group and agrees to cause their respective officers to furnish the CEC Group and their agents and representatives with such financial and operating data and other information with respect to the respective businesses and properties of the AP Group, as the CEC Group, its agents and representatives shall from time to time reasonably request; provided, however, that any such investigation shall not affect any of the representations and

warranties of AP hereunder and shall be conducted in such manner as not to interfere unreasonably with the operation of the business of APC. In the event of termination of this Agreement, except as prevented by law, the CEC Group will, and will cause its agents and representatives to, return to AP all documents, work papers and other materials obtained from AP, in connection with the transactions contemplated hereby, and all copies, extracts or other reproductions thereof in whole or in part (the "AP Confidential Material"). The AP Confidential Material does not include information which: (a) is or becomes public information without violation of this Agreement; (b) was already known to the CEC Group; (c) is developed by the CEC Group independently from the information supplied to the CEC Group pursuant to this Agreement; or (d) is furnished to the CEC Group by a third party who is not an employee, agent, representative or advisor of AP independently from the CEC Group's investigation pursuant to the transactions contemplated by this Agreement. The CEC Group agrees to keep confidential in accordance with this Section 5.2 any AP Confidential Material obtained pursuant to this Agreement. If this Agreement is terminated, the CEC Group shall not use any of the AP Confidential Material to the financial advantage of the CEC Group or any other person or to the detriment of AP.

5.2.2 Subject to Subsection 5.2.3 below or except as required by law, the AP Confidential Material will be kept confidential and will not, without the prior written consent of AP, be disclosed by the CEC Group in whole or in part, and will not be used by the CEC Group, directly or indirectly, for any purpose other than in connection with this Agreement, the other transactions contemplated by this Agreement or evaluating, negotiating or advising the CEC Group with respect to the transactions contemplated herein.

5.2.3 In the event that the CEC Group or anyone to whom the CEC Group supplies the AP Confidential Material are requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand, any informal or formal investigation by any governmental body or otherwise in connection with legal processes) to disclose any of the AP Confidential Material, the CEC Group agrees: (a) to immediately notify AP of the existence, terms and circumstances of such a request; (b) to consult with AP on the advisability of taking legally available steps to resist or narrow such request; and (c) if disclosure of such information is required, to furnish only that portion of the AP Confidential Material which, in the opinion of CEC's counsel, the CEC Group is legally compelled to disclose and to cooperate with any action by AP to obtain an appropriate

protective order or other reliable assurance that confidential treatment will be accorded the AP Confidential Material.

5.2.4 AP will, to the extent required for continued operation of the Interests without impairment, use its reasonable efforts to preserve substantially intact the books and records relative thereto, and to preserve the present relationships of the AP Group to the extent related to the Interests with persons having significant business relations therewith such as suppliers, customers, brokers, agents or otherwise and to promptly notify the CEC Group of an emergency or other change which would have a significant adverse effect on AP.

5.2.5 The AP Group APC will conduct the Oil and Gas Business only in the ordinary course and, by way of amplification and not limitation, they will not, without the prior written consent of the CEC Group: (a) issue, sell or otherwise dispose of shares of its capital stock; or (b) grant any other options or warrants or other rights to purchase or otherwise acquire any shares of capital stock or issue any securities convertible into shares of capital stock of APC; or (c) adopt any Employee Plans (hereinafter defined); or (d) declare, set aside, or pay any dividend or distribution with respect to the capital stock of APC other than as permitted with respect to the working capital adjustments as set forth in Section 9.1 hereof; or (e) directly or indirectly redeem, purchase or otherwise acquire any capital stock of APC; or (f) effect a split or reclassification of any capital stock of APC or a recapitalization of APC; or (g) change the charter or bylaws of APC; or (h) permit APC to grant any increase in the compensation payable or to become payable to their Active Employees (hereinafter defined) other than regularly scheduled merit increases; or (i) borrow, except for working capital purposes and except in the ordinary course of business, or agree to borrow any funds, or guarantee or agree to guarantee the obligations of others; or (j) waive any rights of substantial value; or (k) except in the ordinary course of business enter into an agreement, contract or commitment which, if entered into prior to the date of this Agreement, would be required to be listed in a Schedule attached to this Agreement, or materially amend or change the terms of any such agreement, contract or commitment; or (l) take any action or omit to take any action which would result in any of its representations or warranties set forth in this Agreement becoming untrue.

5.2.6 APC will maintain its books of account in the usual, regular and ordinary manner.

5.3 Employees.

5.3.1 Status of Active Employees. For the purpose of this Agreement, the term "Active Employees" shall mean the full-time employees listed in Schedule "5.3.1" attached hereto employed by the AP Group (excluding APC) in the conduct of the Oil and Gas Business, inclusive of any such employees on temporary leave of absence (including military leave, temporary disability or sick leave). Within fifteen (15) days after execution of this Agreement, AP will provide the CEC Group with a list of Active Employees, stating job title, date of hire and salary as of the date thereof. AP will update such list from time to time to reflect changes in the work force, and the current list of Active Employees, as such changes occur.

5.3.2 Status of Active Employees with CEC Group. The CEC Group is under no obligation to retain or hire any Active Employee. At least five (5) days before the Closing Date, the CEC Group will provide to AP a list of those Active Employees to whom an offer of employment has been or will be made to be effective on the Closing Date. Upon reasonable prior notice during normal business hours, the CEC Group and its representatives will be given reasonable access to the facilities and to personnel, safety and other relevant records of the AP Group (to the extent access to such records does not violate any law or the legitimate privacy rights of the Active Employee concerned) for the purpose of preparing for and conducting employment interviews with any Active Employees. Interviews will be conducted during normal business hours. On the Closing Date, AP will terminate the employment of the Active Employees who have received and accepted an offer of employment from CMC or any of its affiliates (the "Newly Hired Employees"). On or before the Closing Date, AP will provide other employment for or terminate the employment of all Active Employees who are not Newly Hired Employees. As used in this Section 5.3.2, the term "affiliates" of CEC or any member of the CEC Group shall not include AP, APC or their subsidiaries.

5.3.3 Employee Benefit Plans. Except as set forth in Schedule "5.3.3" attached hereto, the AP Group has never sponsored or participated in any Employee Plans up to the Closing Date. As used herein "Employee Plans" shall mean any bonus, deferred compensation, incentive compensation, stock purchase, stock option, employment, consulting, severance or termination pay, hospitalization or other medical, life or other insurance, supplemental unemployment benefit, profit sharing, pension or retirement plan, program, agreement or arrangement, or any other benefit plan of any kind

whatsoever that is provided to employees or former employees of the AP Group, or their beneficiaries, and each other "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), whether formal or informal, written or oral, and whether contributed to, or required to be contributed to, by the AP Group. If any claims, demands or liabilities of any kind whatsoever ever arise due to the existence of any Employee Plan up to the Closing Date, AP will be solely responsible for such claims, demands, liabilities or obligations.

5.4 Salaries and Benefits.

5.4.1 AP's Obligations. With respect to their services as employees of the AP Group up to the Closing Date, AP will be solely responsible for: (a) the payment of all wages, remuneration or other obligations of any kind whatsoever (including obligations under any Employee Plans sponsored by AP) due to Active Employees; (b) notices of termination or pay in lieu thereof or the payment of any termination or severance payments, if any; and (c) the obligation of health plan continuation coverage in accordance with the Consolidated Budget Reconciliation Act of 1984 ("COBRA") and Sections 601 through 608 of ERISA and with respect to Active Employees of the AP Group, compliance with any such similar law which requires health care continuation after termination of employment.

5.4.2 CEC Group's Obligations. After the Closing Date and arising solely from the employment relationship of the Newly Hired Employees with the CEC Group or its affiliates, the CEC Group will be solely responsible for: (a) the payment of all wages, remuneration or other obligations of any kind whatsoever (including obligations under any employee benefit plans sponsored by CEC due to the Newly Hired Employees; (b) notices of termination or pay in lieu thereof or the payment of any termination or severance payments, if any, under severance plans sponsored by CEC; and (c) the obligation to pay medical benefits under CEC's medical plan, provided, with respect to obligations for medical benefits provided to Newly Hired Employees, CEC will be responsible for charges incurred by the Newly Hired Employees after the Closing Date. A charge will be deemed incurred, in the case of medical (other than hospitalization) or dental benefits, when the services that are the subject to the charge are performed. In the case of hospitalization benefits, a charge will be deemed incurred by the Newly Hired Employees on the date that hospitalization begins, and charges for hospitalization which

began before the Closing Date will be the responsibility of AP even if such hospitalization continues after the Closing Date.

5.4.3 CEC Employee Benefit Programs. Under the employee benefit programs of the CEC Group, subject to approval by the Internal Revenue Service, Newly Hired Employees shall be credited with employment service with APC: (a) for purposes of determining any period of eligibility to participate or to vest in benefits provided under CEC's 401(k) incentive savings, defined benefit, medical, disability and life insurance plans, but not for purposes of determining the amount or accrual of benefits under CEC's defined benefit plan; and (b) for purposes of calculating vacation benefits pursuant to CEC's vacation policies. It is understood that the Newly Hired Employees will not have any carryover vacation from the AP Group in excess of five (5) days, but will be entitled to earn days of vacation according to CEC's vacation policies by taking into account their prior employment service.

5.4.4 Preexisting Conditions. For each Newly Hired Employee (and his or her eligible dependents) who become covered under CEC's medical plan on the Closing Date and who were covered by the AP Group's medical plan at the Closing Date, CEC's medical plan will waive any preexisting conditions, exclusion or limitations if permitted under applicable laws and regulations and if approved by the insurance carrier which provides medical insurance to CEC's employees on either an indemnity or "stop loss" basis.

5.4.5 AP Group's Retirement and Savings Plans. Prior to but to be effective as of the Closing Date, AP will cause the AP Group's defined benefit retirement plan to be amended to provide that all Newly Hired Employees who are participants in such retirement plan will cease to accrue future benefits and AP shall retain sole liability for the payment of such benefits as and when the Newly Hired Employees become eligible therefor under such retirement plan. Prior to but to be effective as of the Closing Date, AP will cause the AP Group's savings investment plan and employee stock ownership plan (if any) to be amended in order to provide that Newly Hired Employees shall be 100% vested in their accounts under such plans. As of the Closing Date, all employee contributions by Newly Hired Employees and all obligations of the AP Group to make employer contributions in respect to such employees under any defined contribution, registered retirement savings, money purchase pension or stock purchase plans shall cease unless otherwise required by applicable law or regulation.

5.4.6 WARN Act. AP will, if required under the Worker Adjustment and Retraining Notification Act ("WARN"), provide timely and

effective notice to the Active Employees with respect to any employment loss suffered by such Active Employees as the result of the termination of their employment with the AP Group. In the event that WARN (or any similar law) requires notice to such employees and the AP Group fails to provide timely and effective notice under WARN, AP will indemnify and hold the CEC Group and its affiliates harmless from and against any liability to such employees or any unit of local government that may result to the CEC Group or its affiliates from such failure, including, but not limited to, fines, back pay and reasonable attorney's fees. The CEC Group will indemnify and hold AP and its affiliates harmless from any liabilities AP or its affiliates would not otherwise have incurred due to terminations after the Closing Date of Newly Hired Employees with respect to, arising under or relating to WARN.

5.5 Consents. Prior to Closing, the AP Group and the CEC Group will each use its respective reasonable efforts to obtain the consent or approval of each person whose consent or approval shall be required in order to permit the closing of the transactions contemplated by this Agreement.

5.6 Conduct of Business by the CEC Group. The CEC Group covenants and agrees with APC that from the date of this Agreement until the Closing Date, CEC will conduct its business in the ordinary course consistent with past practices and will use its reasonable best efforts to preserve intact its business organizations and relationships with third parties. Without limiting the generality of the foregoing, from the date hereof until the Closing Date:

(a) CEC will not (i) declare, set aside or pay any dividends or other distributions (whether payable in cash, property or securities) with respect to its capital stock other than a regular quarterly dividend not in access of $0.05 per share per quarter; (ii) merge or consolidate with, or transfer all or substantially of its assets to, another corporation or other business entity; (iii) liquidate, wind-up or dissolve (or suffer any liquidation or dissolution); or (iv) enter into any contract, agreement, commitment or arrangement with respect to any of the foregoing;

(b) CEC will not adopt or propose any material change in its certificate of incorporation or bylaws; and

(c) CEC will not, and will not permit any of its subsidiaries to, take any action that would make any representation and warranty of the CEC Group hereunder inaccurate.

6. Conditions to Obligations of the CEC Group. The obligations of the CEC Group to effect the transactions contemplated by this Agreement will be subject to the following conditions:

6.1 Authorizations. AP shall have furnished CEC with certified copies of resolutions and partnership authorizations duly adopted by all of the Partners of AP authorizing all necessary and proper partnership or corporate action to enable the AP Group to comply with the terms of this Agreement and approving the execution, delivery and performance of this Agreement.

6.2 Representations and Warranties. Except to the extent waived in writing by the CEC Group, (a) the representations and warranties of the AP Group herein contained shall be Substantially True (hereinafter defined) at the Closing with the same effect as though made at such time (except if a representation and warranty speaks as of a different date, in which case it shall be Substantially True as of such date); and (b) AP shall have performed all material obligations and complied with all material covenants required by this Agreement to be performed or complied with by it at or prior to the Closing. AP shall have also delivered to the CEC Group a certificate of AP, dated the Closing Date and signed by two of its officers, to the effect of the foregoing.

6.3 Third Party Consents. AP shall have obtained and delivered to the CEC Group consents to the transactions contemplated by this Agreement from the parties whose consent is required by contract or otherwise.

6.4 No Material Adverse Change. There shall not have occurred since June, 30, 1997: (a) any material adverse change in the financial condition, results of operations or business of the AP Group's Oil and Gas Business excluding any change or effect resulting from general economic conditions, any occurrence or condition affecting the oil and gas industry generally and any occurrence or condition arising out of the transactions contemplated by this Agreement or the public announcement thereof; or (b) any loss or damage to any of the properties or assets (whether or not covered by insurance) of the AP Group or the Interests, which, in any case, would have a Material Adverse Effect (as defined in Section 10.3) on APC.

6.5 Statutory Requirements. All statutory requirements for the valid consummation by the AP Group of the transactions contemplated by this Agreement shall have been fulfilled and all authorizations, consents and approvals of all governmental bodies required to be obtained in order to permit consummation by the AP Group of the transactions contemplated by this Agreement shall have been obtained, including, without limitation, the expiration or early termination of any applicable waiting period required under the provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), if required. Between the date of this Agreement and the Closing, no action or proceeding shall have been instituted or, to the knowledge of the AP Group shall have been threatened by any party (public or private) before a court or other governmental body to restrain or prohibit the transactions contemplated by this Agreement or to obtain damages in respect thereof.

6.6 Opinion of Counsel. The CEC Group shall have received from legal counsel of AP an opinion dated the Closing Date, in form and substance satisfactory to CEC's counsel, to the effect that: (a) APC is a corporation duly incorporated and validly existing and in good standing under the laws of the State of Oklahoma; (b) APC has the corporate power to carry on its business as now being conducted; (c) the authorized capital stock of APC and the number of shares of capital stock outstanding are as set forth in Section 3.2 of this Agreement, and that such issued shares have been duly authorized, are validly issued and outstanding, and are fully paid and nonassessable; (d) the AP Group has the requisite partnership or corporate power and authority and has taken all requisite partnership or corporate action necessary to enable each member of the AP Group to execute and deliver this Agreement and to consummate the transactions contemplated thereby; and (e) this Agreement has been duly and validly executed and delivered by AP.

In rendering such opinion, counsel may rely, to the extent counsel determines such reliance necessary or appropriate, upon opinions of local counsel as to matters of law other than that of the United States and Oklahoma and, as to matters of fact, upon certificates of state officials or of any officer or officers of AP provided the extent of such reliance is stated in the opinion.

6.7 Transfer of the Interests. As of the Closing Date:

6.7.1 AP and its affiliates shall have sold, assigned, transferred or otherwise conveyed any and all of the Oil and Gas Business owned by them to APC, other than the Excluded Assets, with warranties of title in form and substance reasonably acceptable to the CEC Group, except for the one percent (1%) partnership interest in AGM owned by AnSon Gas Corporation ("AGC") to be transferred by AGC to CAC on the Closing Date.

6.7.2 AP shall be the owner and holder of all of the issued and outstanding capital stock of APC.

6.7.3 AP and its affiliates shall not have sold, assigned, transferred, or otherwise conveyed any of the Interests to any person other than APC.

6.8 Other Agreements. As of the Closing Date:

6.8.1 AP and its Partners and affiliates shall have executed and delivered to the CEC Group a Goodwill Protection Agreement in the form attached as Exhibit "6.8.1" hereto.

6.8.2 AP and any other appropriate parties shall have executed and delivered to the CEC Group a Sublease and Use Agreement in the form attached as Exhibit "6.8.2" hereto.

6.8.3 AP shall have executed and delivered to CEC a Registration Rights Agreement.

6.8.4 The directors and officers of APC shall have submitted written resignations from office.

6.9 Fairness Opinion. CEC shall have received a written opinion from a nationally recognized investment banking firm that the transactions contemplated by this Agreement are fair to CEC from a financial point of view.

6.10 Schedules and Exhibits. The CEC Group shall have received and reviewed all of the Schedules and Exhibits to be provided by the AP Group which are not attached hereto as of the date of execution of this Agreement and such Schedules and Exhibits shall not be materially different than anticipated by the CEC Group.

7. Conditions to Obligations of AP. The obligations of the AP Group to effect the transactions contemplated by this Agreement shall be subject to the following conditions:

7.1 Resolutions of Boards of Directors. CEC shall have furnished AP with certified copies of resolutions or written consents duly adopted by the boards of directors of the CEC and CMC, authorizing all necessary and proper corporate action to enable the CEC Group to comply with the terms of this Agreement and approving the execution, delivery and performance of this Agreement.

7.2 Representations and Warranties. Except to the extent waived in writing by AP hereunder: (a) the representations and warranties of the CEC Group herein contained shall be Substantially True at the Closing with the same effect as though made at such time (except if a representation and warranty speaks as of a different date, in which case it shall be Substantially True as of such date); and (b) the CEC Group shall have performed all material obligations and complied with all material covenants required by this Agreement to be performed or complied with by it at or prior to the Closing. CEC shall have also delivered to AP a certificate of CEC, dated the Closing Date and signed by two of its officers, to the effect of the foregoing.

7.3 Third Party Consents. CEC shall have obtained and delivered to AP consents to the transactions contemplated by this Agreement (if any) from the parties to all material contracts which require such consent.

7.4 Statutory Requirements. All statutory requirements for the valid consummation by the CEC Group of the transactions contemplated by this Agreement shall have been fulfilled and all authorizations, consents and approvals of all governmental bodies required to be obtained in order to permit consummation by the CEC Group of the transactions contemplated by this Agreement shall have been obtained, including, without limitation, the expiration or early termination of any applicable waiting period required

under the provisions of the HSR Act. Between the date of this Agreement and the Closing, no action or proceeding shall have been instituted or, to the knowledge of the CEC Group, shall have been threatened by any party (public or private) before a court or other governmental body to restrain or prohibit the transactions contemplated by this Agreement or to obtain damages in respect thereof.

7.5 Opinion of Counsel. AP shall have received an opinion of legal counsel to CEC, dated the Closing Date, in form and substance satisfactory to AP's counsel, to the effect that: (a) CEC and CMC each is a corporation duly incorporated and validly existing and in good standing under the laws of the State of Oklahoma; (b) CEC and CMC each has the corporate power to carry on its business as now being conducted; (c) the Exchange Shares to be issued in exchange for the APC Common Stock have been duly authorized and, immediately after the Closing Date, will be duly and validly issued and will be fully paid and nonassessable; (d) CEC and CMC each has the requisite corporate power and authority and has taken all requisite corporate action necessary to enable it to execute and deliver this Agreement and to consummate the transactions contemplated thereby; and (e) this Agreement has been duly and validly executed and delivered by CEC and CMC.

In rendering such opinion, counsel may rely, to the extent counsel determines such reliance necessary or appropriate, upon opinions of local counsel as to matters of law other than that of the United States and Oklahoma and, as to matters of fact, upon certificates of state officials and of any officer or officers of CEC provided the extent of such reliance is specified in this opinion.

7.6 Registration Rights Agreement. CEC shall have executed and delivered to AP a Registration Rights Agreement.

7.7 CEC Common Stock Price. As of the last trading day preceding the Closing Date, the per share closing price of the CEC Common Stock shall not be less than Four Dollars ($4.00).

7.8 Schedules and Exhibits. The AP Group shall have received and reviewed all of the Schedules and Exhibits to be provided by the CEC Group which are not attached hereto as of the date of execution of this Agreement and such Schedules and Exhibits shall not be materially different than anticipated by the AP Group.

8. Termination of Agreement and Abandonment of Transaction. Anything herein to the contrary notwithstanding, this Agreement and the transaction contemplated hereby may be terminated at any time before the Closing, whether before or after approval of this Agreement by the Partners of AP and CEC as follows, and in no other manner:

8.1 Mutual Consent. By mutual consent of CEC and the Partners of AP.

8.2 By CEC. By the CEC Group if, by the Closing Date, the conditions set forth in Section 6 shall not have been met (or waived as provided in this Agreement).

8.3 By AP. By the Partners of AP if, by the Closing Date, the conditions set forth in Section 7 shall not have been met (or waived as provided in this Agreement).

8.4 By Either CEC or AP. By CEC or AP if any governmental body shall have issued an order, decree or ruling, or taken any other action, permanently enjoining, restraining or otherwise prohibiting the transactions contemplated hereby and such order, decree, ruling or other action shall have become final and non-appealable.

8.5 Termination of Agreement. In the event of termination of this Agreement as provided in this Section 8, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of any party hereto. Nothing contained in this Section shall relieve any party from liability for any breach of the representations, warranties, covenants or agreements set forth in this Agreement.

9. Additional Agreements of the Parties.

9.1 Closing/Post Closing Working Capital Adjustments. On or prior to the Closing Date, APC shall declare a dividend to APC's stockholders of record on the day preceding the Closing Date in an amount equal to APC's positive Net Working Capital (as hereinafter defined) as of the Effective Time. Once declared, the dividend shall not be rescinded, modified or otherwise changed without the written consent of APC and CMC and shall be treated as an obligation of APC. The dividends shall be paid as hereinafter provided in this Section 9. If the Net Working Capital of APC is a negative number, AP shall make a capital contribution to APC (or shall make a payment to CEC after the exchange) of the Net Working Capital negative amount. Payment of the capital contribution shall be made as hereinafter provided in this Section 9.1 as of the Effective Time.

9.1.1 Net Working Capital. As used herein, the "Net Working Capital" of APC and AGM shall mean the excess of APC's and AGM's cash and cash equivalents, inventory, accounts receivable, including joint interest billings and accrued oil and gas revenues, net of bad debt reserves, over their respective accrued and unpaid federal, state and local tax liabilities, accounts payable, including lease operating expenses, severance taxes, revenues and royalties due others and accrued capital items, including drilling costs, recompletion costs, capitalized workover costs, leasehold

acquisition costs, etc., determined as of the Effective Time in accordance with generally accepted accounting principles, as historically applied to APC, AGM or their respective predecessors in interest. As further adjusted to credit AP for the capital costs incurred to develop proved undeveloped reserves as set forth in Schedule "9.1.1" and adjusted for any booked financial liability owing on the Production Payments.

9.1.2 Actual Net Working Capital. Within 90 days after the Closing Date, AP and CEC will agree on the actual Net Working Capital of APC. If AP and CEC do not agree on the actual Net Working Capital of APC within 90 days after the Closing Date, then all items remaining in dispute will be submitted within ten (10) days thereafter to an independent accounting firm of national reputation mutually acceptable to AP and CEC (the "Neutral Auditors"). If AP and CEC are unable to agree on the Neutral Auditors, then AP and CEC shall request the American Arbitration Association to appoint the Neutral Auditors. All fees and expenses relating to appointment of the Neutral Auditors and the work, if any, to be performed by the Neutral Auditors will be borne equally by AP and CEC. The Neutral Auditors will deliver to AP and CEC a written determination (such determination to include a worksheet setting forth all material calculations used in arriving at such determination and to be based solely on information provided to the Neutral Auditors by CEC and AP, or their respective affiliates) of the disputed items within 30 days of receipt of the disputed items, which determination will be final, binding and conclusive. The final, binding and conclusive Closing Date Worksheet, which either is agreed upon by AP and CEC or is delivered by the Neutral Auditors in accordance with this Section 9.1.2 is referred to herein as the "Conclusive Worksheet."

9.1.3 Agreement on Conclusive Worksheet. Promptly following agreement on or delivery of the Conclusive Worksheet, the parties shall account to each other, by cash payments, so that: (a) if the Net Working Capital as reflected in the Conclusive Worksheet is a positive number as of the Effective Time, AP shall receive, after giving effect to previous payments, if any, received by AP, an aggregate amount of cash payments equal to the actual Net Working Capital as so reflected; or (b) if the Net Working Capital as reflected in the Conclusive Worksheet is a negative number, APC shall have received, after giving effect to the previous payments, if any, received by APC, an aggregate amount of cash payments equal to the actual Net Working Capital deficit as so reflected.

9.2 Production Payments. The Real Property Interests owned by APC include a group of producing oil and gas leases (the "Subject Interests") which are burdened by certain production payments created under certain instruments entitled "Conveyance of Production Payment," which instruments and amendments thereto are described in Schedule "3.9" attached hereto (collectively, the "Production Payments"). AP will cooperate and assist the CEC Group in any manner reasonably requested by the CEC Group in connection with the Production Payments.

9.3 Royalty, Working Interest and Tax Liabilities. During the survival period set forth in Section 10.4 of this Agreement, AP will assume, defend and be solely responsible for any claim that royalty, production payment, net profits interest, working interest, production tax or similar payments made by APC, AP or any of its subsidiaries on crude oil, condensate, natural gas, natural gas liquids or other hydrocarbon products: (a) sold by the AP Group or any of its subsidiaries to an affiliate of any of them; or (b) transferred by the AP Group or any of its subsidiaries under in-kind exchange agreements; were inaccurate or insufficient by reason of the price of or value ascribed to the products sold or transferred; provided, however, AP shall not be required to defend or have any liability for any claim arising after the Closing Date and CMC shall defend and be solely responsible for all post Closing Date claims even if asserted in the same action as claims for which AP is responsible.

9.4 Intercompany Payables. AP shall pay and cause the AP Group (excluding APC) to pay all sums owed by the AP Group to APC, including without limitation, any and all gas balancing obligations, promptly in accordance with the applicable operating agreement.

9.5 Schedule Disclosures. A disclosure by AP or the CEC Group in any schedule to this Agreement shall be deemed an exception to any representation or warranty herein made by either of them to the extent that the information disclosed would be necessary to make a particular representation or warranty true.

9.6 Tax Return and Reorganization Information. The CEC Group shall prepare the 1997 federal and state income tax returns for APC for the period after the Effective Time and deliver them to AP except to the extent they are included in consolidated tax returns of CEC. AP will prepare the federal and state tax returns for APC for the period preceding the Effective Time and will deliver them to CEC. AP and CEC shall cooperate with each other in the preparation of those returns. The CEC Group and AP agree to file as a part of their federal tax return for the taxable year during which the Closing Date occurs all information required by U.S. Treasury Regulation sec. 1.368-3.

9.7 Preservation of Books and Records. For a period of five (5) years after the Closing Date, CEC and AP shall, using procedures consistent with their current record retention procedures: (a) preserve and retain all books and

records held by either of them or their subsidiaries that relate to the Oil and Gas Business including, but not limited to, any documents relating to any governmental or nongovernmental actions, suits, proceedings or investigations arising out of the conduct of those businesses before the Closing Date (the "Records"); and (b) subject to mutually acceptable confidentiality requirement, make the Records available to each other and their respective agents upon reasonable notice and at reasonable times, it being understood that either party shall be entitled to make copies of any of the Records at the copying party's expense. CEC and AP further agree not to destroy any of the Records in their possession for a period of five (5) years after the Closing Date unless the party proposing to destroy the Records, or some portion thereof, gives the other party notice of the proposed destruction and a reasonable opportunity, at the other party's expense, to take possession of the Records designated for destruction. CEC and AP further agree to cooperate with each other, including reasonable access to their respective employees, in providing additional information and explanations concerning the Records.

10. General Provisions.

10.1 Amendments. Subject to applicable law, this Agreement and the form of any exhibit attached hereto may be amended upon written agreement of the parties hereto at any time prior to the Closing.

10.2 Survival of Covenants, Representations and Warranties. The respective representations and warranties of the CEC Group and AP contained in this Agreement shall be deemed made as of the Closing and all covenants and undertakings required to be performed, unless otherwise specifically herein provided, shall survive the Closing, but shall terminate two (2) years after the Closing Date.

10.3 Certain Definitions. As used in Section 6.4 of this Agreement, a "Material Adverse Effect" on APC is an event or condition that has an adverse financial impact of more than One Million Dollars ($1,000,000.00) on APC. The statement that the representations and warranties of the AP Group are to be "Substantially True" at the Closing shall be true if the cumulative adverse financial impact of all untrue representations and warranties of the AP Group at Closing is less than One Million Dollars ($1,000,000.00). Notwithstanding anything else in this Agreement to the contrary, no event resulting from general economic conditions, no occurrence or condition affecting oil and gas industry generally and no occurrence or condition arising out of the transactions contemplated by this Agreement or the public announcement thereof shall be considered adverse or make any representation or warranty herein untrue. With respect to the Real Property Interests representations and warranties "good and defensible title" means with respect to each Oil and Gas Interest, such title that: (i) entitles APC to receive (free and clear of all royalties, overriding royalties, net profits interests or other burdens on or measured by production of hydrocarbons and associated gases) not less than

the "Net Revenue Interests" set forth on Schedule 3.3.1 of all oil, gas, sulfur and associated liquid and gaseous hydrocarbons and other associated gases produced, saved and marketed from the Oil and Gas Interest for the productive life of such Oil and Gas Interest (ii) obligates APC to bear costs and expenses relating to the maintenance, development and operation of such Oil and Gas Property in an amount not grater than the "Working Interests" set forth on Schedule 3.3.1 for the productive life of such Oil and Gas Property; and (iii) is free and clear of any and all encumbrances, liens and defects, other than the Production Payments.

10.4 Survival and Indemnification. The AP Group shall indemnify and hold the CEC Group harmless, at all times from and after the Closing Date, against and in respect to any Damages, provided that the AP Group shall not be liable for any Damages unless the amount of all such Damages exceed $1,000,000 in the aggregate and, in such event, the amount of Damages shall not include the first such $1,000,000 thereof. The term "Damages" means any claims, actions, demands, lawsuits, costs, expenses, liabilities, penalties and damages (including counsel fees incidental thereto or incidental to the enforcement by the CEC Group of this Agreement) resulting to the CEC Group, net of any insurance proceeds received by the CEC Group in reimbursement of such Damages, from: (a) any inaccurate representation made to the CEC Group in or pursuant to this Agreement; and (b) any breach of any of the warranties made to the CEC Group in or pursuant to this Agreement.

10.4.1. Indemnification Procedure. If any party hereto discovers or otherwise becomes aware of an indemnification claim arising under this Agreement, such indemnified party shall give written notice to the indemnifying party, specifying such claim, and may thereafter exercise any remedies available to such party under this Agreement; provided, however, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of any obligations hereunder, to the extent the indemnifying party is not materially prejudiced thereby. Further, promptly after receipt by an indemnified party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for which indemnification may be made against any indemnifying party, give written notice to the latter of the commencement of such action; provided however that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of any obligations hereunder, to the extent the indemnifying party is not materially prejudiced thereby.

10.4.2. Defense. If any such action is brought against an indemnified party, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that it may wish, with

counsel reasonably satisfactory to such indemnified party, and after such notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof unless the indemnifying party has failed to assume the defense of such claim and to employ counsel reasonably satisfactory to such indemnified person. An indemnifying party who elects not to assume the defense of a claim shall not be liable for the fees and expenses of more than one counsel in any single jurisdiction for all parties indemnified by such indemnifying party with respect to such claims or with respect to claims separate but similar or related in the same jurisdiction arising out of the same general allegations. Notwithstanding any of the foregoing to the contrary, the indemnified party will be entitled to select its own counsel and assume the defense of any action brought against it if the indemnifying party fails to select counsel reasonably satisfactory to the indemnified party, the expenses of such defense is to be paid by the indemnifying party. No indemnifying party shall consent to entry of any judgment or enter into any settlement with respect to a claim without the consent of the indemnified party, which consent shall not be unreasonably withheld, or unless such judgment or settlement includes as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability with respect to such claim. No indemnified party shall consent to entry of any judgment or enter into any settlement of any such action, the defense of which has been assumed by an indemnifying party, without the consent of such indemnifying party, which consent shall not be unreasonably withheld.

10.5 Governing Law. This Agreement and the legal relations between the parties shall be governed by and construed in accordance with the laws of the State of Oklahoma.

10.6 Notices. All notices, requests, demands or other communications required or permitted by this Agreement shall be in writing and effective when received, and delivery shall be made personally or by registered or certified mail, return receipt requested, postage prepaid, or overnight courier or confirmed facsimile transmission, addressed as follows:

IF TO THE CEC GROUP:

Chesapeake Energy Corporation
Chesapeake Merger II Corp.
6100 North Western Avenue
Oklahoma City, Oklahoma 73118

Attention: Aubrey K. McClendon
Chairman and Chief
Executive Officer
Facsimile No. (405) 848-8588

WITH A COPY TO:

Self, Giddens & Lees, Inc.
2725 Oklahoma Tower, 210 Park Avenue
Oklahoma City, Oklahoma 73102

Attention: C. Ray Lees, Esquire
Facsimile No. (405) 232-5553

IF TO THE AP GROUP:

AnSon Partners Limited Partnership
AnSon Production Corporation
4005 Northwest Expressway
Oklahoma City, Oklahoma 73116

Attention: Mr. Carl Anderson, III
Facsimile No. (405) 879-3810

WITH A COPY TO:

Gable Gotwals Mock Schwabe Kihle Gaberino
211 North Robinson, 15th Floor
Oklahoma City, Oklahoma 73102

Attention: Randall D. Mock, Esquire
Facsimile No. (405) 235-2875

10.7 No Assignment. This Agreement may not be assigned by operation of law or otherwise

10.8 Fees and Expenses. All fees and expenses, including attorneys' fees, incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by the respective party who has incurred such fee or expense.

10.9 Headings. The descriptive headings of the Sections and paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

10.10 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to each of the other parties hereto.

10.11 Entire Agreement. This Agreement and the other agreements contemplated hereby constitutes the entire agreement among the CEC Group and AP with respect to the subject matter hereof. Unless this Agreement is specifically amended in writing, it supersedes all other agreements and understandings among the parties with respect to the subject matter hereof and thereof.

10.12 Publicity. The initial press release relating to this Agreement shall be a joint press release and thereafter AP and CEC shall, subject to their respective legal obligations (including requirements of the stock exchange and other similar regulatory bodies), consult with each other, and use reasonable efforts to agree upon the text of any press release before issuing any such press release or otherwise making public statements with respect to the transactions contemplated hereby.

10.13 No Third Party Beneficiaries. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any rights of subrogation or action over or against any party to this Agreement.

10.14 Specific Performance. The CEC Group and the AP Group each acknowledge that neither the CEC Group nor AP would have an adequate remedy at law for money damages in the event that this Agreement were not performed in accordance with its terms, and therefore, agree that the CEC Group and AP each shall be entitled to specific enforcement of the terms hereof in addition to any other remedy to which it may be entitled, at law or in equity.

10.15 Partial Illegality or Unenforceability. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be illegal or unenforceable in any respect, such illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such illegal or unenforceable provision or provisions had never been contained herein unless the deletion of such provision or provisions would result in such a material

change as to cause completion of the transactions contemplated hereby to be unreasonable.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the day and year first above written.

CHESAPEAKE ENERGY CORPORATION,
an Oklahoma Corporation

By: /s/ AUBREY K. McCLENDON

Aubrey K. McClendon
Chief Executive Officer

CHESAPEAKE MERGER II CORP., an
Oklahoma Corporation

By: /s/ AUBREY K. McCLENDON

Aubrey K. McClendon,
President

ANSON PARTNERS LIMITED
PARTNERSHIP, an Oklahoma
Limited Partnership

By: /s/ CARL B. ANDERSON, III

Carl B. Anderson, III, Sole
General Partner

ANSON PRODUCTION CORPORATION,
an Oklahoma corporation

By: /s/ CARL B. ANDERSON, III

Carl B. Anderson, III,
President

EXHIBIT 2.6

FIRST AMENDMENT TO MERGER AGREEMENT AND PLAN OF REORGANIZATION

AMONG

CHESAPEAKE ENERGY CORPORATION,

CHESAPEAKE MERGER II CORP.

AND

ANSON PARTNERS LIMITED PARTNERSHIP

DECEMBER 15, 1997

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EXHIBITS

FIRST AMENDMENT TO MERGER AGREEMENT AND PLAN OF REORGANIZATION

THIS FIRST AMENDMENT TO MERGER AGREEMENT AND PLAN OF REORGANIZATION (the "Agreement"), is entered into this 15th day of December, 1997, among CHESAPEAKE ENERGY CORPORATION, an Oklahoma corporation ("CEC"), CHESAPEAKE MERGER II CORP., an Oklahoma corporation ("CMC"), ANSON PARTNERS LIMITED PARTNERSHIP, an Oklahoma limited partnership ("AP") and ANSON PRODUCTION CORPORATION, an Oklahoma corporation ("APC").

R E C I T A L S :

A. AP, APC, CEC and CMC have entered into that certain Merger Agreement and Plan of Reorganization dated October 22, 1997 (the "Merger Agreement") and such parties desire to amend the Merger Agreement pursuant to this First Amendment to Merger Agreement and Plan of Reorganization (the "Amendment") to: (a) extend the Closing Date; (b) amend the terms of the adjustment to merger consideration; and (c) to delete the Registration Rights Agreement attached to the Merger Agreement and substitute therefor, the Registration Rights Agreement attached to this Amendment.

NOW, THEREFORE, for and in consideration of the recitals and the mutual covenants and agreements set forth in this Amendment and for the purpose of amending the terms and conditions for the Merger, the parties hereby agree as follows:

1. Definitions. Unless otherwise defined herein, all terms defined in the Merger Agreement will have the same meanings herein as therein defined.

2. Amendment to Section 1.7. Section 1.7 of the Merger Agreement entitled "Payment and Conversion" is hereby deleted in its entirety and the following Section 1.7 i hereby substituted therefor:

"1.7 Payment and Conversion. Subject to the terms and conditions of this Agreement, on the Closing Date, pursuant to the Oklahoma Act, APC will be merged with and into CMC and upon such Merger, the APC Shares will be automatically converted into the right to receive the number of shares of CEC Common Stock determined by dividing FORTY-THREE MILLION DOLLARS ($43,000,000.00) by the Exchange Price (the "Exchange Shares"). The AP Group and the CEC Group hereby agree that the "Exchange Price" will be $11.3375 which was determined by adding the closing price of the CEC Common Stock as quoted on the New York Stock Exchange as of the close of business on the third (3rd) through the twelfth (12th) business trading days preceding October 31, 1997 and dividing the sum by ten (10). The number of Exchange Shares will be rounded up to the nearest whole number and no fractional shares will be issued."

3. Amendment of Section 1.9. Section 1.9 of the Merger Agreement entitled "Adjustment to Merger Consideration" is hereby deleted in its entirety and the following Section 1.9 is hereby substituted therefor:

> "1.9 Adjustment to Merger Consideration. CEC and AP hereby agree that in connection with the sale of any Exchange Shares during the Adjustment Period (hereinafter defined), as set forth in the Registration Rights Agreement attached hereto as Exhibit 1.9 (the "Registration Rights Agreement"): (a) to the extent that the proceeds received by AP net of the amount of the underwriting discounts and commissions on a per share basis, as adjusted to account for any stock splits, stock dividends or other distributions (excluding cash dividends) in respect of the Exchange Shares (the "Per Share Price") does not equal or exceed the Exchange Price, CEC will or will cause CMC to pay to AP an amount equal to the difference between the Per Share Price and the Exchange Price multiplied by the number of Exchange Shares actually sold pursuant to such registration; and (b) to the extent the Per Share Price exceeds one-hundred twenty percent (120%) of the Exchange Price, AP will pay CEC an amount equal to the difference in the Per Share Price and one hundred twenty percent (120%) of the Exchange Price multiplied by the number of Exchange Shares actually sold pursuant to such registration. As used in this paragraph, the term "Adjustment Period" means the period commencing on the day in April, 1998 on which AP first sells Exchange Shares and continuing for thirty (30) days thereafter, regardless of how many New York Stock Exchange trading days actually occur during such thirty (30) day period. AP hereby covenants and agrees that all sales of Exchange Shares will be made in a commercially reasonable manner so as not to unduly create price fluctuation in the Common Stock. Any cash adjusting payments to be made pursuant to this Section 1.9 will be made by the party owing payment within five (5) days after the final account has been made and agreed to by CEC and AP."

4. Amendment to Section 2. Section 2 of the Merger Agreement entitled "Closing" is hereby deleted in its entirety and the following Section 2 is hereby substituted therefor:

> "2. Closing. Subject to the terms and provisions hereof, the closing of the transactions provided for herein (the "Closing") shall occur at 10:00 a.m. at the offices of Self, Giddens & Lees, Inc., 2725 Oklahoma Tower, Oklahoma City, Oklahoma on or before December 19, 1997 (the "Closing Date") unless another date, time or place is agreed to in writing by the parties hereto, but in any event will be effective as of 12:01 a.m. Oklahoma time on November 1, 1997 (the "Effective Time")."

5. Amendment to Section 9.2. Section 9.2 of the Merger Agreement entitled "Production Payments" is hereby amended by the addition thereto of the following sentence:

> "Notwithstanding the two (2) year limitation set forth in Section 10.2 of this Agreement, AP hereby agrees that the indemnification provisions set forth in

Section 10.4 hereof will apply in all respects relating to the Production Payments for the entire life of the Production Payments.

6. Amendment of Exhibit 1.9. The form of Registration Rights Agreement attached to the Merger Agreement as Exhibit 1.9 is hereby deleted in its entirety and the form of Registration Rights Agreement attached hereto as Exhibit 1.9 is hereby substituted therefor.

7. Supersession. It is agreed and understood between AP, APC, CEC and CMC that: (a) except to the extent the Merger Agreement is amended by this Amendment, the Merger Agreement will remain in full force and effect; (b) the Merger Agreement as amended by this Amendment supersedes any and all prior agreements entered into between the parties; (c) subject to the satisfactory performance of the terms and conditions stated in the Merger Agreement unless otherwise stated herein, this Amendment will be effective as of the date hereof but will be binding on the parties only after execution hereof by all parties hereto; and (d) in all respects, except as specifically amended hereby, the Merger Agreement remains in full force and effect and unabated and AP, APC, CEC and CMC hereby reaffirm each and every representation, warranty, covenant or condition made in the Merger Agreement as if and to the same extent as if made on the date of the execution of this Amendment.

8. Counterparts. This Amendment may be executed in multiple counterparts, each of which will be an original instrument, but all of which will constitute one agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of the day and year first above written.

CHESAPEAKE ENERGY CORPORATION,
an Oklahoma Corporation

By: /s/ AUBREY K. McCLENDON

Aubrey K. McClendon
Chief Executive Officer

CHESAPEAKE MERGER II CORP., an
Oklahoma Corporation

By: /s/ AUBREY K. McCLENDON

Aubrey K. McClendon,
President

ANSON PARTNERS LIMITED
PARTNERSHIP, an Oklahoma
Limited Partnership

By: /s/ CARL B. ANDERSON, III

Carl B. Anderson, III, Sole
General Partner

ANSON PRODUCTION CORPORATION,
an Oklahoma corporation

By: /s/ CARL B. ANDERSON, III

Carl B. Anderson, III,
President

EXHIBIT 5.1

[Andrews & Kurth L.L.P. Letterhead]

April 20, 1998

Board of Directors
Chesapeake Energy Corporation
6100 North Western Avenue
Oklahoma City, Oklahoma 73118

Gentlemen:

We have acted as counsel to Chesapeake Energy Corporation, an Oklahoma corporation (the "Company"), in connection with the Company's Registration Statement on Form S-3 (the "Registration Statement") relating to the registration under the Securities Act of 1933, as amended (the "Act"), of the offering by the selling stockholders named in the Registration Statement of up to 6,683,129 shares of the Company's common stock, $.01 par value (the "Shares").

In connection herewith, we have examined copies of such statutes, regulations, corporate records and documents, certificates of public and corporate officials and other agreements, contracts, documents and instruments as we have deemed necessary as a basis for the opinion hereafter expressed. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with the original documents of all documents submitted to us as copies. We have also relied, to the extent we deem such reliance proper, upon information supplied by officers and employees of the Company with respect to various factual matters material to our opinion.

Based on the foregoing and having due regard for such legal considerations as we deem relevant, we are of the opinion that the Shares have been duly authorized and are validly issued, fully paid and nonassessable.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement and to the use of our name under the heading "Legal Matters" in the Registration Statement.

Very truly yours,

/s/ Andrews & Kurth L.L.P.

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EXHIBIT 23.2

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in this registration statement on Form S-3 of our report dated March 20, 1998, on our audits of the consolidated financial statements of Chesapeake Energy Corporation as of December 31, 1997 and for the six month period then ended, and as of June 30, 1997 and 1996 and for the years then ended. We also consent to the references to our firm under the caption "Experts".

/s/ Coopers & Lybrand L.L.P.

COOPERS & LYBRAND L.L.P.

Oklahoma City, Oklahoma
April 20, 1998

EXHIBIT 23.3

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this registration statement of Chesapeake Energy Corporation on Form S-3 of our report dated September 20, 1995, except for the fourth paragraph of Note 9 which is as of October 9, 1997, and except for the earnings per share information in Note 1, which is as of March 24, 1998, appearing on page 39 of the Chesapeake Energy Corporation Form 10-K, on our audit of the consolidated financial statements of Chesapeake Energy Corporation for the year ended June 30, 1995. We also consent to the reference to our firm under the caption "Experts".

/s/ PRICE WATERHOUSE LLP
PRICE WATERHOUSE LLP

Houston, Texas
April 20, 1998

EXHIBIT 23.4

CONSENT OF WILLIAMSON PETROLEUM CONSULTANTS, INC.

As independent oil and gas consultants, Williamson Petroleum Consultants, Inc. hereby consents to the references to our firm and to our reserve report entitled "Evaluation of Oil and Gas Reserves to the Interests of Chesapeake Energy Corporation in Certain Properties in Louisiana and Texas, Effective December 31, 1997, for Disclosure to the Securities and Exchange Commission, Williamson Project 7.8569" dated March 12, 1998 in the Transition Report on Form 10-K of Chesapeake Energy Corporation incorporated by reference into the Prospectus constituting part of the Registration Statement on Form S-3 of Chesapeake Energy Corporation to be filed with the Securities and Exchange Commission on or about April 20, 1998.

/s/ Williamson Petroleum Consultants, Inc.

WILLIAMSON PETROLEUM CONSULTANTS,INC.

Houston, Texas
April 16, 1998

EXHIBIT 23.5

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS AND GEOLOGISTS

As independent oil and gas consultants, Netherland, Sewell & Associates, Inc. hereby consents to the references to our firm and to our reserve report dated December 31, 1997 in the Transition Report on Form 10-K of Chesapeake Energy Corporation incorporated by reference into the Prospectus constituting part of the Registration Statement on Form S-3 of Chesapeake Energy Corporation to be filed with the Securities and Exchange Commission on or about April 20, 1998.

NETHERLAND, SEWELL & ASSOCIATES, INC.

By: /s/ Frederic D. Sewell

Frederic D. Sewell
President

Dallas, Texas
April 20, 1998

EXHIBIT 23.6

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS AND GEOLOGISTS

As independent oil and gas consultants, Porter Engineering Associates hereby consents to the references to our firm and to our reserve report dated December 31, 1997 in the Transition Report on Form 10-K of Chesapeake Energy Corporation incorporated by reference into the Prospectus constituting part of the Registration Statement on Form S-3 of Chesapeake Energy Corporation to be filed with the Securities and Exchange Commission on or about April 20, 1998.

PORTER ENGINEERING ASSOCIATES

By: /s/ JOE H. PORTER

Joe H. Porter, PE

Oklahoma City, Oklahoma
April 20, 1998