

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K/A

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

DATE OF REPORT MAY 26, 1998

DATE OF EARLIEST EVENT REPORTED MARCH 10, 1998

CHESAPEAKE ENERGY CORPORATION

(Exact name of Registrant as specified in its Charter)

OKLAHOMA	1-13726	73-1395733
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6100 NORTH WESTERN AVENUE, OKLAHOMA CITY, OKLAHOMA	73118
-----	-----
(Address of principal executive offices)	(Zip Code)

(405) 848-8000

(Registrant's telephone number, including area code)

INFORMATION TO BE INCLUDED IN THE REPORT

This Form 8-K/A amends the registrant's Form 8-K dated March 10, 1998, which was filed on March 26, 1998.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial statements of businesses acquired:

The financial statements of Hugoton Energy Corporation ("Hugoton") as of and for the year ended December 31, 1997 filed as a part of Hugoton's annual report on Form 10-K for the year ended December 31, 1997 are incorporated herein by reference.

(b) Pro forma financial information:

The unaudited pro forma financial information required pursuant to Article 11 of Regulation S-X is filed herewith.

(c) Exhibits:

- 2.1 Agreement and Plan of Merger dated November 12, 1997 among Chesapeake Energy Corporation, Chesapeake Acquisition Corp. and Hugoton Energy Corporation, as amended by Amendment No. 1 thereto dated as of February 9, 1998. Incorporated herein by reference to Exhibits 2.1 and 2.2 to the Company's Registration Statement on Form S-4 (No. 333-46129).

SIGNATURE

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

CHESAPEAKE ENERGY CORPORATION

BY: /S/ AUBREY K. MCCLENDON

AUBREY K. MCCLENDON,
Chairman of the Board and
Chief Executive Officer

Dated: May 26, 1998

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CHESAPEAKE ENERGY CORPORATION & SUBSIDIARIES

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PRO FORMA COMBINED FINANCIAL DATA

The following unaudited pro forma combined financial statements give effect to the merger of Hugoton Energy Corporation ("Hugoton") and an indirect subsidiary of Chesapeake Energy Corporation ("Chesapeake") on March 10, 1998. The information is derived from the historical financial statements of Chesapeake and Hugoton. The Unaudited Pro Forma Combined Statement of Operations for the year ended December 31, 1997 reflects the Hugoton acquisition (accounted for as a purchase) as if it had occurred on January 1, 1997. The Unaudited Pro Forma Combined Balance Sheet at December 31, 1997 reflects the consummation of the Hugoton acquisition as if it had occurred on December 31, 1997. The unaudited pro forma combined financial information should be read in conjunction with the notes thereto and the historical financial statements of Chesapeake and Hugoton, including the notes thereto, which are incorporated by reference in this Form 8-K/A.

The unaudited pro forma combined financial statements do not purport to be indicative of the results of operations that would actually have occurred if the Hugoton acquisition had occurred as presented in such statements or that may occur in the future. In addition, future results may vary significantly from the results reflected in such statements due to general economic conditions, oil and gas commodity prices, Chesapeake's ability to successfully integrate the operations of Hugoton with its current business and several other factors, many of which are beyond Chesapeake's control.

The Hugoton acquisition is accounted for using the purchase method, and the purchase cost has been allocated to the Hugoton assets and liabilities based on their respective fair values. The final allocation of the actual purchase price for the acquisition is subject to the final valuation of the acquired assets, but that allocation is not expected to differ materially from the preliminary allocation.

CHESAPEAKE ENERGY CORPORATION & SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF DECEMBER 31, 1997
(IN THOUSANDS)

	HISTORICAL		PRO FORMA	
	CHESAPEAKE	HUGOTON	ADJUSTMENTS	AS ADJUSTED
ASSETS				
Current assets	\$ 217,721	\$ 14,227	\$ --	\$ 231,948
Property, plant & equipment				
Proved	1,095,363	262,783	49,196 (a)	1,407,342
Unproved	125,155	14,466	--	139,621
Accumulated depreciation, depletion and amortization.....	(602,391)	(83,901)	(54,870) (a)(h)	(741,162)
Net proved and unproved properties	618,127	193,348	(5,674) (a)	805,801
Other, net	61,060	4,068	--	65,128
Total property, plant & equipment, net	679,187	197,416	(5,674)	870,929
Other	55,876	1,577	--	57,453
Total assets	\$ 952,784	\$ 213,220	\$ (5,674)	\$ 1,160,330
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities	\$ 153,480	\$ 12,531	\$ 15,000 (a)	\$ 181,011
Long-Term debt	508,992	110,000	--	618,992
Other liabilities	10,106	460	--	10,566
Stockholders' equity				
Common stock	743	198	60 (a)	1,001
Paid-in capital	460,733	135,745	72,322 (a)	668,800
Accumulated earnings (deficit)	(181,270)	(45,714)	(93,056) (a)	(320,040)
Total stockholders' equity	280,206	90,229	(20,674)	349,761
Total liabilities and stockholders' equity	\$ 952,784	\$ 213,220	\$ (5,674)	\$ 1,160,330

The accompanying notes are an integral part of this pro forma combined balance sheet.

CHESAPEAKE ENERGY CORPORATION & SUBSIDIARIES
 UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
 TWELVE MONTHS ENDED DECEMBER 31, 1997
 (IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	HISTORICAL		PRO FORMA	
	CHESAPEAKE	HUGOTON	ADJUSTMENTS	AS ADJUSTED
Revenues:				
Oil and gas sales.....	\$ 198,410	\$ 75,703	--	\$ 274,113
Oil and gas marketing sales..	104,394	--	--	104,394
Interest and other.....	87,673	1,039	--	88,712
	-----	-----	-----	-----
Total revenues.....	390,477	76,742	--	467,219
Costs and expenses:				
Operating costs.....	19,327	25,694	--	45,021
Oil and gas marketing expenses	103,819	--	--	103,819
Depreciation, depletion				
and amortization.....	131,789	35,639	(11,774) (d)	155,654
Exploration.....	--	20,304	(20,304) (c)	--
Writedown.....	346,000	36,209	102,561 (h)	484,770
General and administrative...	10,910	9,981	(2,316) (c)	18,575
Interest.....	29,782	6,752	(1,576) (c)	34,958
Other.....	--	794	--	794
	-----	-----	-----	-----
Total costs and expenses...	641,627	135,373	66,591	843,591
Loss before income taxes				
and extraordinary item.....	(251,150)	(58,631)	(66,591)	(376,372)
Income tax benefit.....	(17,898)	(16,128)	-- (e)	(34,026)
	-----	-----	-----	-----
Net loss before extraordinary item	\$(233,252)	\$(42,503)	\$(66,591)	\$(342,346)
	=====	=====	=====	=====
Earnings per share - Basic and				
diluted.....	\$ (3.30)			\$ (3.55)
	=====			=====
Weighted average shares				
outstanding (i).....	70,672			96,463
	=====			=====

The accompanying notes are an integral part of this pro forma combined statement of operations.

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL DATA

(IN THOUSANDS)

- (a) Chesapeake issued approximately 25.8 million shares of common stock at \$8 per share, gave effect to the exchange and immediate vesting of Hugoton stock options for Chesapeake stock options by recording a \$2 million purchase price adjustment related to the estimated fair value of such options and incurred costs of approximately \$15 million (including \$7.5 million estimated termination costs for Hugoton executives and employees) to acquire Hugoton. The following is the allocation of the purchase price:

Issuance of common stock	\$ 206,325
Fair value of converted Hugoton stock options	2,000
Other acquisition costs	15,000

Purchase price	\$ 223,325
	=====
Current assets	\$ 14,227
PP&E - proved properties	311,978
PP&E - unevaluated properties	14,466
Other PP&E	4,068
Other assets	1,577
Current liabilities	(12,531)
Debt	(110,000)
Other liabilities	(460)

Purchase price	\$ 223,325
	=====

- (b) Chesapeake changed its fiscal year end from June 30 to December 31. The following is a reconciliation of financial information, as reported, to the Chesapeake historical financial data included in this pro forma information:

	CHESAPEAKE (AS REPORTED)			
	Year Ended June 30, 1997	Six Months Ended December 31, 1996	Six Months Ended December 31, 1997	Twelve Months Ended December 31, 1997
Revenues	\$ 280,315	\$ (122,702)	\$ 232,864	\$ 390,477
Costs & expenses	460,645	(83,456)	264,438	641,627
Income tax	(3,573)	(14,325)	--	(17,898)
Income (loss) before extraordinary item	\$ (176,757)	\$ (24,921)	\$ (31,574)	\$ (233,252)

- (c) Hugoton accounted for its oil and gas properties and results of operations on the successful efforts method. The following reflects the entries to convert Hugoton to the full cost method. The entries were derived from the historical accounting records of Hugoton.

Twelve Months Ended
December 31, 1997

COSTS AND EXPENSES:

Exploration	\$(20,304)
Internal costs(1)	\$ (2,316)
Interest	\$ (1,576)

- (1) Internal costs, consisting of costs directly related to acquisition, exploration and development activities, were previously reported as general and administrative.

- (d) To record DD&A expense of oil and gas properties using \$1.34 per Mcfe for Chesapeake and Hugoton.
- (e) SFAS 109 requires that the Company record a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized. In the six months ended December 31, 1997 and the fourth quarter of fiscal 1997, the Company recorded a \$110 million writedown and a \$236 million writedown, respectively, related to the impairment of oil and gas properties. On a pro forma basis, the Company recorded an additional \$139 million writedown related to the impairment of its oil and gas properties as of December 31, 1997. The writedowns and significant tax net operating loss carryforwards (caused primarily by expensing intangible drilling costs for tax purposes) resulted in a net deferred tax asset at December 31, 1997 (on an actual and pro forma basis). Management believes it is more likely than not that the Company will generate future tax net operating losses for at least the next five years, based in part on the Company's continued drilling efforts. Therefore, the Company has recorded a valuation allowance equal to the net deferred tax asset. Had the Company recorded the income tax effect of the pro forma adjustments using a statutory rate of 40%, the pro forma income tax benefit would have been \$61 million.
- (f) EPS has been calculated using the weighted average shares outstanding assuming the transaction had been consummated at the beginning of the period and is calculated as follows:

	Twelve Months Ended December 31, 1997 -----
Chesapeake's weighted average shares	
Outstanding, as reported	70,672
Issuance of common stock to Hugoton	25,791

As adjusted	96,463
	=====

As of December 31, 1997, common shares outstanding for Hugoton were 19,838,000.

- (g) Estimated total proved pro forma reserves at December 31, 1997 were as follows:

	PROVED RESERVES (MMCFE) -----
Chesapeake	448,474
Hugoton	246,193
As adjusted	694,667

- (h) Capitalized costs, less accumulated amortization and related deferred income taxes, may not exceed an amount equal to the sum of the present value of estimated future net revenues less estimated future expenditures to be incurred in developing and producing the proved reserves, less any related income tax effects. At December 31, 1997 and on a pro forma basis, capitalized costs of Hugoton's oil and gas properties exceeded the estimated present value of future net revenues from Hugoton's proved reserves, net of related income tax considerations, resulting in a pro forma writedown in the carrying value of oil and gas properties of an additional \$139 million.
- (i) On March 17, 1997, the Company issued \$150 million principal amount of 7.875% Senior Notes due 2004 and \$150 million principal amount of 8.5% Senior Notes due 2012. Had the Company issued the notes on January 1, 1997, the Company would have incurred additional interest costs of \$17.4 million.