

CHESAPEAKE ENERGY CORP  
Form SC 13D  
March 29, 2006

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 1)\*

CHESAPEAKE ENERGY CORPORATION  
(Name of Issuer)

Common Stock, par value \$.01  
(Title of Class of Securities)

165167 10 7  
(CUSIP Number)

Shannon Self, Esquire  
Commercial Law Group, P.C.

2725 Oklahoma Tower

210 Park Avenue

Oklahoma City, Oklahoma 73102  
(405) 232-3001  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

March 13, 2006  
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. o

*Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.*

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\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP NO. 165167 10 7

(1) Names of Reporting Persons, I.R.S. Identification Nos. of Above Persons Tom L. Ward  
(entities only)

(2) Check the Appropriate Box if a Member of a Group (*See Instructions*) (a)  X  
(b)  o

(3) SEC Use Only

(4) Source of Funds (*See In-structions-*) PF

(5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)  o

(6) Citizenship or Place of Organization USA

Number of Shares (7) Sole Voting Power 22,736,145

7,815,808 of such shares are subject to a forward sale agreement

Beneficially Owned (8) Shared Voting Power 1,671,124

By Each Reporting (9) Sole Disposition 22,736,145

7,815,808 of such shares are subject to a forward sale agreement

Person With: (10) Shared Dispositive Power 1,671,124

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- |      |   |                       |
|------|---|-----------------------|
| (11) | Aggregate Amount Beneficially Owned by Each Reporting Person                            | 24,407,269            |
| (12) | Check if the Aggregate Amount in Row (11) Excludes Certain Shares<br>(See Instructions) | <input type="radio"/> |
| (13) | Percent of Class Represented by Amount in Row (11)                                      | 6.38%                 |
| (14) | Type of Reporting Person (See Instructions)   | IN                    |

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(1) Names of Reporting Persons, I.R.S. Identification Nos. of Above Persons TLW Investments Inc.  
(entities only)

73-1215253

(2) Check the Appropriate Box if a Member of a Group (*See Instructions*) (a)

(b)

(3) SEC Use Only

(4) Source of Funds (*See In-structions-*)

WC

(5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items  
2(d) or 2(e)

(6) Citizenship or Place of Organization

Oklahoma

Number of Shares (7) Sole Voting Power

0

Beneficially Owned (8) Shared Voting Power

1,671,124

By Each Reporting (9) Sole Disposition

0

Person With: (10) Shared Dispositive Power

1,671,124

(11) Aggregate Amount Beneficially Owned by Each Reporting Person 1,671,124

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares  
(*See Instructions*)

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(13)	Percent of Class Represented by Amount in Row (11)	0.44%
(14)	Type of Reporting Person ( <i>See Instructions</i> )	CO

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Preliminary Statement

This Amendment No. 1 to Schedule 13D is filed by the group consisting of Tom L. Ward and TLW Investments Inc. ("TLW") with respect to their beneficial ownership of Chesapeake Energy Corporation stock. Mr. Ward and TLW are referred to herein as the "Reporting Persons." This Amendment No. 1 to Schedule 13D amends the initial statement on Schedule 13D filed by the Reporting Persons on February 22, 2006 (the Prior 13D ). The Reporting Persons are filing this Amendment No. 1 to report that on March 13, 2006, Mr. Ward entered into a forward sale agreement relating to up to 7,815,808 shares of Chesapeake Energy Corporation Common Stock.

Unless otherwise indicated, all capitalized terms used but not defined herein shall have the same meaning ascribed to them in the Schedule 13D. Except as indicated herein, the information set forth in the Prior 13D remains unchanged.

Item 1. Security and Issuer.

No change.

Item 2. Identity and Background.

No change.

Item 3. Source and Amount of Funds or Other Consideration.

No change.

Item 4. Purpose of Transaction.

Item 4 is hereby amended as follows:

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On March 13, 2006, Mr. Ward entered into a forward sale agreement relating to up to 7,815,808 shares of common stock. The shares of common stock or a cash equivalent of the shares will be deliverable on the tenth business day following March 13, 2009. In consideration therefor, Mr. Ward received a purchase price of \$172,077,210. See Item 5(c).

Item 5. Interest in Securities of the Issuer.

Item 5 is hereby amended and supplemented as follows:

The aggregate percentage of shares of Common Stock reported as beneficially owned by each Reporting Person was computed based upon 381,454,245 shares of Common Stock outstanding on March 15, 2006.

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(a) The following table sets forth the aggregate number of shares and percentage of the Common Stock beneficially owned by each Reporting Person:

Person	Amount	Percent
Tom L. Ward	24,407,269 <sup>(1) (2) (3)</sup>	6.38%
TLW Investments	1,671,124 <sup>(2)</sup>	0.44%

(1) This amount includes (i) 48,226 shares held on behalf of Mr. Ward in the Chesapeake Energy Corporation Savings and Incentive Stock Bonus Plan as of December 31, 2005, the latest date such information is available; (ii) 905,365 shares which Mr. Ward has the right to acquire upon conversion of Preferred Stock; and (iii) 21,435 shares held by Mr. Ward in custodial accounts for the benefit of Mr. Ward's children.

(2) This amount includes 1,671,124 shares owned of record by TLW, of which Mr. Ward is the sole shareholder, director, and Chief Executive Officer. TLW and Mr. Ward share voting and dispositive power over such shares.

(3) Of the shares included, 7,815,808 shares are subject to the forward sale agreement described in Item 5(c).

(b) The following table sets forth the number of shares of Common Stock of the Company for which each Reporting Person has (1) the sole power to vote or direct the voting, (2) shared power to vote or direct the voting, (3) the sole power to dispose or to direct the disposition, or (4) shared power to dispose or to direct the disposition:

Person or Entity	Sole Voting and	Shared Voting and
	Power of Disposition	Power of Disposition
Tom L. Ward	22,736,145 <sup>(1)(3)</sup>	1,671,124 <sup>(2)</sup>
TLW Investments	0	1,671,124 <sup>(2)</sup>

(1) See footnote (1) under paragraph (a) of this Item 5.

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(2) See footnote (2) under paragraph (a) of this Item 5.

(3) See footnote (3) under paragraph (a) of this Item 5.

(c) During the sixty days prior to the date of this Schedule 13D, the following transactions were effected in the Common Stock by the Reporting Persons:

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On March 13, 2006, Mr. Ward entered into a forward sale agreement (the Agreement) relating to up to 7,815,808 shares (the Base Amount) of common stock. The Agreement provides that Mr. Ward will deliver on the tenth business day following March 13, 2009 a number of shares of common stock or the cash equivalent of the shares of common stock equal to the product of (i) the Base Amount and (ii) the Settlement Ratio, which will be determined as follows:

- (a) If the average closing price of the common stock for the ten business days following March 12, 2009 (the Settlement Price) is less than or equal to \$25.7203 (the Hedged Value), the Settlement Ratio will be one:
- (b) If the Settlement Price is greater than the Hedged Value but less than \$46.9017 (the Upside Limit), the Settlement Ratio will be equal to the Hedged Value divided by the Settlement Price; and
- (c) If the Settlement Price is equal to or greater than the Upside Limit, the Settlement Ratio will be equal to the sum of the Hedged Value divided by the Settlement Price and a fraction the numerator of which is equal to the difference between the Settlement Price and the Upside Limit and the denominator of which is equal to the Settlement Price.

In consideration therefore, the Agreement provides that Mr. Ward will receive a purchase price of \$172,077,210.

(d) See Item 6, below.

(e) Not applicable.

### Item 6. Contracts, Agreements, Underwritings or Relationships With Respect to Securities of the Issuer.

Item 6 of the Prior 13D is hereby deleted in its entirety and replaced with the following:

Mr. Ward maintains credit arrangements with RBC Dain Rauscher, pursuant to agreements dated September 16 and 19, 2005, with Lehman Brothers pursuant to agreements dated September 13 and December 8, 2005, with Morgan Stanley pursuant to an agreement dated February 1, 2005, with Goldman, Sachs & Co. pursuant to an agreement dated July 11, 2002 and with Deutsche Bank AG pursuant to an agreement dated March 13, 2006. As of March 15, 2006, Mr. Ward and TLW have pledged 4.13 million shares of Common Stock as collateral for the credit arrangement with RBC. As of March 15, 2006, Mr. Ward had 1.06 million shares of Common Stock pledged as collateral for the credit arrangement with Lehman Brothers, 1,561,907 shares of Common Stock pledged as collateral for the credit arrangement with Morgan Stanley, 6.5 million shares of Common Stock pledged as collateral for the credit arrangement with Goldman and 7,815,808 shares of Common Stock pledged as collateral for the credit arrangement with Deutsche Bank. The agreements contain standard default and remedial provisions.



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Mr. Ward has pledged 2.01 million shares of Common Stock, 50,000 shares of the Company's 5.00% (2003) Preferred Stock (which is convertible at any time by Mr. Ward into 304,810 shares of Common Stock), and 10,000 shares of 4.125% Preferred Stock (which is convertible under certain conditions by Mr. Ward into 600,555 shares of Common Stock) as security for the performance of financial obligations Mr. Ward may have from time to time pursuant to energy trading transactions with a large Oklahoma-based private oil company. As a result, the shares may be subject to transfer if there is a default in the obligations secured by the parties' oral pledge agreement.

On March 13, 2006, Mr. Ward entered into a forward sale agreement relating to up to 7,815,808 shares of common stock. See Item 5(c).

Item 7. Materials to be Filed as Exhibits

No change.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DATED: March 29, 2006

/s/ Tom L. Ward  
TOM L. WARD, an individual

TLW INVESTMENTS, INC., an Oklahoma corporation

By: Tom L. Ward  
TOM L. WARD, President

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