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PIONEER DRILLING CO
Form SC 13D
August 19, 2004

CUSIP NO. 723655106

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(Amendment No. 1)*

Under the Securities Exchange Act of 1934

PIONEER DRILLING COMPANY

(Name of Issuer)

Common Stock, par value \$.10

(Title of Class of Securities)

723655106

(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)

August 11, 2004

(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 Rule 13d-1(b)(3) or (4), check the following box. [X]

NOTE: Six (6) copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

* 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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(1)	Name of Reporting Person	Chesapeake Energy Corporation
	I.R.S. Identification No. of Above Person	73-1395733
(2)	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) [] (b) [x]
(3)	SEC Use Only	
(4)	Source of Funds (See Instructions)	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	6,441,466

Beneficially Owned	(8) Shared Voting Power	-

By Each Reporting	(9) Sole Dispositive Power	6,441,466

Person With:	(10) Shared Dispositive Power	-

(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	6,441,466
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	[]
(13)	Percent of Class Represented by Amount in Row (11)	17.04%
(14)	Type of Reporting Person (See Instructions)	CO

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Item 1. Security and Issuer.

The common stock, par value \$.10 (the "Common Stock"), of Pioneer Drilling Company, a Texas corporation ("Pioneer"). Pioneer's principal executive offices are located at 9310 Broadway, Building 1, San Antonio, Texas 78217.

Item 2. Identity and Background.

Chesapeake Energy Corporation, an Oklahoma corporation ("Chesapeake

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Energy"), is located at 6100 North Western Avenue, Oklahoma City, Oklahoma 73118, and is primarily engaged in the ownership, development and operation of oil and gas assets in the United States. The executive officers and directors of Chesapeake Energy are set forth below.

Aubrey K. McClendon
Chairman of the Board and Chief Executive Officer
6100 North Western Avenue
Oklahoma City, Oklahoma 73118

Tom L. Ward
Director, Chief Operating Officer and President
6200 North Western Avenue
Oklahoma City, Oklahoma 73118

Marcus C. Rowland
Chief Financial Officer and Executive Vice President
6100 North Western Avenue
Oklahoma City, Oklahoma 73118

Martha A. Burger
Treasurer and Senior Vice President
6100 North Western Avenue
Oklahoma City, Oklahoma 73118

Michael A. Johnson
Senior Vice President
6100 North Western Avenue
Oklahoma City, Oklahoma 73118

Frank A. Keating
Director
c/o Chesapeake Energy Corporation
6100 North Western Avenue
Oklahoma City, Oklahoma 73118

Breene M. Kerr
Director
c/o Chesapeake Energy Corporation
6100 North Western Avenue
Oklahoma City, Oklahoma 73118

Shannon Self
Director
c/o Chesapeake Energy Corporation
6100 North Western Avenue
Oklahoma City, Oklahoma 73118

Frederick B. Whittemore
Director
c/o Chesapeake Energy Corporation
6100 North Western
Oklahoma City, Oklahoma 73118

Charles T. Maxwell
Director
c/o Chesapeake Energy Corporation
6100 North Western Avenue
Oklahoma City, Oklahoma 73118

Chesapeake Energy and each of the listed individuals have not, during the last five years, been convicted in a criminal proceeding (excluding

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traffic violations or similar misdemeanors) and have not been or become subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws. Each individual is a United States citizen.

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

On March 31, 2003, Chesapeake Energy acquired 5,333,333 shares of Common Stock at a cost of \$3.75 per share pursuant to the Common Stock Purchase Agreement dated March 31, 2003, between Chesapeake Energy and Pioneer (the "Stock Purchase Agreement"). The total consideration for this purchase was \$20.0 million.

On August 11, 2004, Chesapeake Energy exercised certain preemptive rights set forth in Section 1.3 of the Stock Purchase Agreement and purchased 631,133 shares of Common Stock from Pioneer at a cost of \$6.90 per share. The total consideration for this purchase was \$4,354,818.00.

On August 16, 2004, Chesapeake Energy purchased 477,000 shares of Common Stock at a cost of \$7.25 per share. The total consideration for this purchase was \$3,458,250.00

The purchase price for the foregoing shares of Common Stock (the "Acquired Shares") was funded by Chesapeake Energy from working capital and general corporate funds, one of the sources of which is the revolving bank facility maintained by Chesapeake Energy and its subsidiary entities in the ordinary course of business.

Item 4. Purpose of Transaction.

The Acquired Shares were acquired by Chesapeake Energy as an investment. Chesapeake Energy may in the future: (1) purchase additional Common Stock, debt securities or other equity securities of Pioneer; (2) sell all or part of the Acquired Shares in private or registered transactions; (3) communicate with the management, the directors or shareholders of Pioneer regarding Pioneer's business plans and operations; or (4) enter into additional transactions in connection with Pioneer or Pioneer's assets.

In connection with the Stock Purchase Agreement, Chesapeake Energy was granted the preemptive right to acquire equity securities to be issued by Pioneer in the future and the right to require the registration of the Acquired Shares under the Securities Act of 1933. Except as set forth above, Chesapeake Energy has no present plans or intentions relating to the transactions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer.

(a) Chesapeake Energy owns 6,441,466 shares of Common Stock as of August 19, 2004, representing 17.04% of the outstanding Common Stock. The foregoing percentage is based on 38,401,645 shares of Common Stock disclosed as issued and outstanding after the completion of Pioneer's public offering of Common Stock and the other transactions described in Pioneer's 424(b)(4) prospectus, filed with the SEC on August 6, 2004.

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(b) Chesapeake Energy has the sole power to vote or dispose of the Acquired Shares.

(c) On August 11, 2004, Chesapeake Energy exercised certain preemptive rights set forth in Section 1.3 of the Stock Purchase Agreement and purchased 631,133 shares of Common Stock from Pioneer at \$6.90 per share. The total consideration for this purchase was \$4,354,818.00. On August 16, 2004, Chesapeake Energy purchased 477,000 shares of Common Stock at a cost of \$7.25 per share. The shares of Common Stock described in the prior sentence were acquired in a negotiated transaction effectuated through a broker to broker transfer through DTC. The total consideration for this purchase was \$3,458,250.00.

(d) Inapplicable

(e) Inapplicable

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

Under the Stock Purchase Agreement, Chesapeake Energy has the preemptive right to participate in future equity issuances by Pioneer and has the right to attend and observe all board meetings and board committee meetings of Pioneer and Pioneer's subsidiaries. Under the Stock Purchase Agreement Chesapeake Energy granted Pioneer a right of first refusal with respect to any Acquired Shares to be sold other than into the public trading market. Under a registration rights agreement (the "Registration Rights Agreement") among Pioneer, WEDGE Energy Services, L.L.C., a Delaware limited liability company ("WEDGE"), William H. White, an individual affiliated with WEDGE, and Chesapeake Energy dated March 31, 2003, Chesapeake Energy can request the registration of a portion of the Acquired Stock as provided in the Registration Rights Agreement.

Item 7. Materials to be filed as Exhibits.

1. Common Stock Purchase Agreement dated March 31, 2003, between Pioneer Drilling Company and Chesapeake Energy Corporation is incorporated herein by reference to Exhibit 99.1. to Schedule 13D filed on April 3, 2003.
2. Registration Rights Agreement dated March 31, 2003, among Pioneer Drilling Company, WEDGE Energy Services, L.L.C., William H. White, an individual, and Chesapeake Energy Corporation is incorporated herein by reference to Exhibit 99.2 to Schedule 13D filed on April 3, 2003.

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: August 19, 2004

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Chesapeake Energy Corporation
an Oklahoma corporation

By /s/ Aubrey K. McClendon

 Aubrey K. McClendon
 Chairman of the Board and
 Chief Executive Officer