

CHESAPEAKE ENERGY CORP
 Form 4
 May 09, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
WARD TOM L

2. Issuer Name and Ticker or Trading Symbol
CHESAPEAKE ENERGY CORP [chk]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
6100 N WESTERN
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
05/05/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
President and COO

OKLAHOMA CITY, OK 73118
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Instr. 3)	(Instr. 4)	(Instr. 5)	(Instr. 6)	(Instr. 7)	(Instr. 8)	(Instr. 9)	(Instr. 10)
					Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
<u>(1)</u>	<u>(1)</u>	05/05/2006			J		1	<u>(1)</u>	<u>(1)</u>	05/07/2007	Common Stock	<u>(1)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WARD TOM L 6100 N WESTERN OKLAHOMA CITY, OK 73118	X		President and COO	

Signatures

By: Jennifer M. Grigsby For: Tom L. Ward
05/09/2006

Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) See attached remarks.

Remarks:

On May 5, 2006, Mr. Ward entered into a forward sale agreement (the "Agreement") relating to up to 1,617,530 shares (the "Hedged Shares").

(a) If the closing price of the common stock on May 7, 2007 (the "Settlement Price") is less than or equal to \$28.0553 (the "Hedged Value"), the Settlement Ratio will be equal to the sum of the Hedged Shares divided by the Settlement Price.

(b) If the Settlement Price is greater than the Hedged Value but less than \$42.4625 (the "Upside Limit"), the Settlement Ratio will be equal to the sum of the Hedged Shares divided by the Settlement Price.

(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 Shares divided by the Settlement Price.

In consideration therefore, the Agreement provides that Mr. Ward will receive a purchase price of \$53,388,518.69.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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