

CHESAPEAKE ENERGY CORP
Form SC 13D
February 11, 2019

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

Chesapeake Energy Corporation

(Name of Issuer)

Common Stock, Par Value \$0.01 Per Share

(Title of Class of Securities)

165167107

(CUSIP Number)

Jeff Zlotky

NGP Energy Capital Management, L.L.C.

5221 O Connor Blvd., Suite 1100

Irving, Texas 75039

(972) 432-1440

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

February 1, 2019

(Date of Event Which Requires Filing of this Statement)

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If the filing person has previously filed a statement on Schedule 13G to report the acquisition that 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.

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.

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. 165167107

1	Name of Reporting Person Esquisto Holdings, LLC	
2	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="radio"/> (b) <input type="radio"/>	
3	SEC Use Only	
4	Source of Funds (See Instructions) OO	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e) <input type="radio"/>	
6	Citizenship or Place of Organization Delaware	
Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power 0
	8	Shared Voting Power 142,469,647
	9	Sole Dispositive Power 0
	10	Shared Dispositive Power 142,469,647
11	Aggregate Amount Beneficially Owned by Each Reporting Person 142,469,647	
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="radio"/>	
13	Percent of Class Represented by Amount in Row (11) 8.7% (1)	
14	Type of Reporting Person (See Instructions) OO	

(1) Based on 1,631,713,269 shares of common stock issued and outstanding as of February 1, 2019.

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1	Name of Reporting Person WHR Holdings, LLC
2	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="radio"/> (b) <input type="radio"/>
3	SEC Use Only
4	Source of Funds (See Instructions) OO
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e) <input type="radio"/>
6	Citizenship or Place of Organization Delaware
7	Sole Voting Power 0
8	Shared Voting Power 113,123,648
9	Sole Dispositive Power 0
10	Shared Dispositive Power 113,123,648
11	Aggregate Amount Beneficially Owned by Each Reporting Person 113,123,648
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="radio"/>
13	Percent of Class Represented by Amount in Row (11) 6.9% (1)
14	Type of Reporting Person (See Instructions) OO

(1) Based on 1,631,713,269 shares of common stock issued and outstanding as of February 1, 2019.

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CUSIP No. 165167107

1	Name of Reporting Person NGP XI US Holdings, L.P.	
2	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="radio"/> (b) <input type="radio"/>	
3	SEC Use Only	
4	Source of Funds (See Instructions) OO	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e) <input type="radio"/>	
6	Citizenship or Place of Organization Delaware	
Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power 0
	8	Shared Voting Power 204,171,234 (1)
	9	Sole Dispositive Power 0
	10	Shared Dispositive Power 204,171,234 (1)
11	Aggregate Amount Beneficially Owned by Each Reporting Person 204,171,234 (1)	
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="radio"/>	
13	Percent of Class Represented by Amount in Row (11) 12.5% (2)	
14	Type of Reporting Person (See Instructions) PN	

(1) As further described in Item 4, NGP XI US Holdings, L.P. may be deemed to beneficially own the shares of common stock of the Issuer that are held by Esquisto Holdings, LLC and WHE AcqCo Holdings, LLC, in addition to the shares it owns of the Issuer.

(2) Based on 1,631,713,269 shares of common stock issued and outstanding as of February 1, 2019.

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1	Name of Reporting Person WHE AcqCo Holdings, LLC
2	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="radio"/> (b) <input type="radio"/>
3	SEC Use Only
4	Source of Funds (See Instructions) OO
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e) <input type="radio"/>
6	Citizenship or Place of Organization Delaware
7	Sole Voting Power 0
8	Shared Voting Power 13,677,587
9	Sole Dispositive Power 0
10	Shared Dispositive Power 13,677,587
11	Aggregate Amount Beneficially Owned by Each Reporting Person 13,677,587
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="radio"/>
13	Percent of Class Represented by Amount in Row (11) 0.8% (1)
14	Type of Reporting Person (See Instructions) OO

(1) Based on 1,631,713,269 shares of common stock issued and outstanding as of February 1, 2019.

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CUSIP No. 165167107

1	Name of Reporting Person NGP Energy Capital Management, L.L.C.
2	Check the Appropriate Box if a Member of a Group (See Instructions) (a) <input type="radio"/> (b) <input type="radio"/>
3	SEC Use Only
4	Source of Funds (See Instructions) OO
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Item 2(d) or 2(e) <input type="radio"/>
6	Citizenship or Place of Organization Texas
7	Sole Voting Power 0
8	Shared Voting Power 317,294,882 (1)
9	Sole Dispositive Power 0
10	Shared Dispositive Power 317,294,882 (1)
11	Aggregate Amount Beneficially Owned by Each Reporting Person 317,294,882 (1)
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) <input type="radio"/>
13	Percent of Class Represented by Amount in Row (11) 19.4% (2)
14	Type of Reporting Person (See Instructions) OO

(1) As further described in Item 4, NGP Energy Capital Management, L.L.C. may be deemed to beneficially own the shares of common stock of the Issuer that are held by Esquisto Holdings, LLC, WHE AcqCo Holdings, LLC, NGP XI US Holdings, L.P. and WHR Holdings, LLC.

(2) Based on 1,631,713,269 shares of common stock issued and outstanding as of February 1, 2019.

Item 1. Security and Issuer.

This statement on Schedule 13D (this Schedule 13D) relates to the Common Stock, par value \$0.01 per share (Common Stock), of Chesapeake Energy Corporation, an Oklahoma corporation (the Issuer). The principal executive offices of the Issuer are located at 6100 North Western Avenue, Oklahoma City, Oklahoma 73118.

Item 2. Identity and Background

(a) This Schedule 13D is filed jointly by each of the below persons (each, a Reporting Person and together, the Reporting Persons). The Reporting Persons have entered into a Joint Filing Agreement, dated the date hereof, a copy of which is filed with this Schedule 13D as Exhibit A (which is hereby incorporated by reference) pursuant to which the Reporting Persons have agreed to file this statement jointly in accordance with the provisions of Rule 13d-1(k)(1) under the Act. Information with respect to each Reporting Person is given solely by such Reporting Person, and no Reporting Person assumes responsibility for the accuracy or completeness of the information furnished by any other Reporting Person.

1. Esquisto Holdings, LLC, a Delaware limited liability company (Esquisto Holdings);
2. WHR Holdings, LLC, a Delaware limited liability company (WHR Holdings);
3. NGP XI US Holdings, L.P., a Delaware limited partnership (NGP XI US Holdings);
4. WHE AcqCo Holdings, LLC, a Delaware limited liability company (WHE AcqCo Holdings); and
5. NGP Energy Capital Management, L.L.C., a Texas limited liability company (NGP ECM);

Certain information required by this Item 2 concerning the executive officers, directors and managers of the Reporting Persons is set forth on Annex A, attached hereto, which is incorporated into this Item 2 by reference.

(b) The address of the principal business and principal office of each of the Reporting Persons is as follows:

5221 N. O Connor Blvd., Suite 1100

Irving, Texas 75039

(c) The principal business of each of the Reporting Persons is as follows:

1. The principal business of Esquisto Holdings is the ownership of equity interests of certain entities.
2. The principal business of WHR Holdings is the ownership of equity interests of certain entities.
3. The principal business of NGP XI US Holdings is the ownership of equity interests of certain entities.
4. The principal business of WHE AcqCo Holdings is the ownership of equity interests of certain entities.
5. The principal business of NGP ECM is to manage various private investments.

(d) (e) None of the Reporting Persons, nor, to the knowledge of the Reporting Persons, their respective executive officers, directors or managers listed on Annex A hereto, as applicable, has during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or been party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is 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.

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

The Reporting Persons acquired the shares of Common Stock reported on this Schedule 13D due to their aggregate beneficial ownership of 59,463,059 shares of common stock, \$0.01 par value per share (WildHorse Common Stock), of WildHorse

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Resource Development Corporation (WildHorse). At the closing (the Closing) of the transactions contemplated by the Merger Agreement (as defined below), each share of WildHorse Common Stock then outstanding, including the shares of WildHorse Common Stock then beneficially owned by each of the Reporting Persons, was converted into the right to receive, at their election, (i) 5.336 shares of Common Stock and \$3.00 in cash, or (ii) 5.989 shares of Common Stock, in each case, with cash in lieu of any fractional shares per each such share of WildHorse Common Stock (the Merger Consideration).

Item 4. Purpose of Transaction.

The Reporting Persons acquired the shares of Common Stock reported on this Schedule 13D pursuant to that certain Agreement and Plan of Merger (the Merger Agreement), dated October 28, 2018, among the Issuer, Coleburn Inc., a wholly owned subsidiary of Issuer (Coleburn), and WildHorse.

On February 1, 2019, the Issuer completed the transactions contemplated by the Merger Agreement. Pursuant to the Merger Agreement, Coleburn merged with and into WildHorse, with WildHorse continuing as the surviving entity as a wholly owned subsidiary of Issuer (the Merger). Immediately following the Merger, WildHorse merged with and into a wholly owned limited liability company subsidiary of Issuer (LLC Sub), with LLC Sub continuing as a wholly owned subsidiary of Issuer (the LLC Sub Merger and, together with the Merger, the Integrated Mergers).

At the effective time of the Merger (the Merger Effective Time), subject to certain exceptions, (x) each share of WildHorse Common Stock then outstanding was converted into the right to receive a number of shares of Common Stock, equal to the Merger Consideration.

Effective at the Merger Effective Time, David W. Hayes, partner and employee of NGP ECM, was appointed to the board of directors of the Issuer pursuant to and in accordance with the rights of WildHorse under the Merger Agreement.

The foregoing description of the Merger Agreement set forth in this Item 4 is only a summary and does not purport to be complete and is qualified by reference to the full text of the Merger Agreement and Amendment No. 1 to the Merger Agreement, which is incorporated by reference as Exhibit B and Exhibit C, respectively.

The Reporting Persons currently hold such shares for investment purposes, subject to the following. The following describes plans or proposals that the Reporting Persons may have with respect to the matters set forth in Item 4(a)-(j) of Schedule 13D:

(a) None.

(b) None.

(c) None.

(d) None.

(e) None.

(f) None.

(g) None.

(h) None.

(i) None.

(j) The Reporting Persons do not have, as of the date of this Schedule 13D, any plans or proposals that relate to or would result in any of the actions or events specified in clauses (a) through (i) of Item 4 of Schedule 13D. The Reporting Persons may change their plans or proposals in the future. In determining from time to time whether to sell the shares of Common Stock reported as beneficially owned in this Schedule 13D (and in what amounts) or to retain such securities, the Reporting Persons will take into consideration such factors as they deem relevant, including the business and

prospects of the Issuer, anticipated future developments concerning the Issuer, existing and anticipated market conditions from time to time, general economic conditions, regulatory matters, and other opportunities available to the Reporting Persons. The Reporting Persons reserve the right to acquire additional securities of the Issuer in the open market, in privately negotiated transactions (which may be with the Issuer or with third parties) or otherwise, to dispose of all or a portion of their holdings of securities of the Issuer or to change their intention with respect to any or all of the matters referred to in this Item 4.

Item 5. Interest in Securities of the Issuer.

(a)-(b)

Esquisto Investment Holdings, LLC (Esquisto Investment Holdings) owns 100% of the capital interests in Esquisto Holdings. NGP XI US Holdings directly and indirectly own 90% of Esquisto Investment Holdings, and certain members of Esquisto Holdings and Esquisto Investment Holdings management own the remaining 10.0%. As a result, NGP XI US Holdings may be deemed to indirectly beneficially own the shares held by Esquisto Holdings.

NGP XI US Holdings owns 100% of the capital interests in WHE AcqCo Holdings. NGP XI Holdings GP, L.L.C. (NGP XI Holdings GP) is the sole general partner of NGI XI US Holdings. NGP Natural Resources XI, L.P. (NGP Natural Resources XI) is the sole member of NGP XI Holdings GP. G.F.W. Energy XI, L.P. (GFW Energy XI) is the sole general partner of NGP Natural Resources XI. GFW XI, L.L.C. (GFW XI) is the sole general partner of GFW Energy XI. GFW XI has delegated full power and authority to manage NGP XI US Holdings to NGP ECM and accordingly, NGP ECM may be deemed to share voting and dispositive power over these shares and therefore may also be deemed to be the beneficial owner of these shares.

WildHorse Investment Holdings, LLC (WildHorse Investment Holdings) owns 100% of the capital interests in WHR Holdings. NGP X US Holdings, L.P. (NGP X US Holdings) owns 90.3% of WildHorse Investment Holdings, and certain members of WildHorse s management own the remaining 9.7%. As a result, NGP X US Holdings may be deemed to indirectly beneficially own the shares held by WHR Holdings. NGP X Holdings GP, L.L.C. (NGP X Holdings GP) is the sole general partner of NGP X US Holdings. NGP Natural Resources X, L.P. (NGP X) is the sole member of NGP X Holdings GP. G.F.W. Energy X, L.P. (GFW X) is the sole general partner of NGP X. GFW X, L.L.C. (GFW X GP) is the sole general partner of GFW X. GFW X GP has delegated full power and authority to manage NGP X US Holdings to NGP ECM and accordingly, NGP ECM may be deemed to share voting and dispositive power over these shares and therefore may also be deemed to be the beneficial owner of these shares.

1. Esquisto Holdings

a. Amount beneficially owned: 142,469,647

b. Percent of class: 8.7%

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- c. Number of shares as to which the person has:
 - i. Sole power to vote or to direct the vote: 0
 - ii. Shared power to vote or to direct the vote: 142,469,647
 - iii. Sole power to dispose or to direct the disposition of: 0
 - iv. Shared power to dispose or to direct the disposition of: 142,469,647