

CHESAPEAKE ENERGY CORP

Form 10-Q

May 02, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2018

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

For the transition period from _____ to _____

Commission File No. 1-13726

CHESAPEAKE ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

Oklahoma

73-1395733

(State or other jurisdiction of incorporation or organization) (I.R.S. 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)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting

company" and
"emerging growth
company" in Rule
12b-2 of the
Exchange Act.

Large
Accelerated
Filer
Accelerated
Filer
Non-accelerated
Filer
Smaller
Reporting
Company
Emerging
Growth
Company

If an emerging
growth
company,
indicate by
check mark if
the registrant has
elected not to
use the extended
transition period
for complying
with any new or
revised financial
accounting
standards
provided
pursuant to
Section 13(a) of
the Exchange
Act.

Indicate by
check mark
whether the
registrant is a
shell company
(as defined in
Rule 12b-2 of
the Exchange
Act). YES
NO

As of April 23, 2018, there were 911,815,100 shares of our \$0.01 par value common stock outstanding.



CHESAPEAKE ENERGY CORPORATION AND SUBSIDIARIES
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PART I. FINANCIAL INFORMATION

ITEM 1. Condensed Consolidated Financial Statements

CHESAPEAKE ENERGY CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	March 31, 2018	December 31, 2017
	(\$ in millions)	
CURRENT ASSETS:		
Cash and cash equivalents (\$1 and \$2 attributable to our VIE)	\$4	\$5
Accounts receivable, net	1,082	1,322
Short-term derivative assets	3	27
Other current assets	135	171
Total Current Assets	1,224	1,525
PROPERTY AND EQUIPMENT:		
Oil and natural gas properties, at cost based on full cost accounting:		
Proved oil and natural gas properties (\$488 and \$488 attributable to our VIE)	69,284	68,858
Unproved properties	3,326	3,484
Other property and equipment	1,869	1,986
Total Property and Equipment, at Cost	74,479	74,328
Less: accumulated depreciation, depletion and amortization ((\$462) and (\$461) attributable to our VIE)	(63,903)	(63,664)
Property and equipment held for sale, net	16	16
Total Property and Equipment, Net	10,592	10,680
LONG-TERM ASSETS:		
Other long-term assets	270	220
TOTAL ASSETS	\$12,086	\$12,425

The accompanying notes are an integral part of these condensed consolidated financial statements.

TABLE OF CONTENTSCHESAPEAKE ENERGY CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS – (Continued)
(Unaudited)

	March 31, 2018	December 31, 2017
	(\$ in millions)	
CURRENT LIABILITIES:		
Accounts payable	\$657	\$ 654
Current maturities of long-term debt, net	52	52
Accrued interest	139	137
Short-term derivative liabilities	149	58
Other current liabilities (\$3 and \$3 attributable to our VIE)	1,357	1,455
Total Current Liabilities	2,354	2,356
LONG-TERM LIABILITIES:		
Long-term debt, net	9,325	9,921
Long-term derivative liabilities	6	4
Asset retirement obligations, net of current portion	153	162
Other long-term liabilities	345	354
Total Long-Term Liabilities	9,829	10,441
CONTINGENCIES AND COMMITMENTS (Note 4)		
EQUITY:		
Chesapeake Stockholders' Equity:		
Preferred stock, \$0.01 par value, 20,000,000 shares authorized: 5,603,458 shares outstanding	1,671	1,671
Common stock, \$0.01 par value, 2,000,000,000 shares authorized: 911,794,424 and 908,732,809 shares issued	9	9
Additional paid-in capital	14,419	14,437
Accumulated deficit	(16,240)	(16,525)
Accumulated other comprehensive loss	(47)	(57)
Less: treasury stock, at cost; 3,416,465 and 2,240,394 common shares	(32)	(31)
Total Chesapeake Stockholders' Equity (Deficit)	(220)	(496)