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CHESAPEAKE ENERGY CORP
Form SC 13D/A
June 08, 2012

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934

Amendment No. 2

Chesapeake Energy Corporation

(Name of Issuer)

Common Stock

(Title of Class and Securities)

165167107

(CUSIP Number of Class of Securities)

O. Mason Hawkins
Chairman of the Board and C.E.O.
and
Andrew R. McCarroll
Vice President & General Counsel

Southeastern Asset Management, Inc.
6410 Poplar Avenue, Suite 900
Memphis, TN 38119
(901) 761-2474

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

June 8, 2012

(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 Sections 240.13d-1(e), 240.13d-1(f), or 240.13d-1(g), check the following box: [X]

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(1) NAMES OF REPORTING PERSONS
Southeastern Asset Management, Inc. I.D. No. 62-0951781

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:
(a)
(b) X

(3) SEC USE ONLY

(4) SOURCE OF FUNDS
00: Funds of investment advisory clients

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
Tennessee

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

: (7) SOLE VOTING POWER
: (Discretionary Accounts)
: 51,938,249 shares

: (8) SHARED OR NO VOTING POWER
:
: 31,131,173 shares (Shared)
: 8,955,672 shares (No Vote)

: (9) SOLE DISPOSITIVE POWER
(Discretionary Accounts)
: 60,893,921 shares

: (10) SHARED DISPOSITIVE POWER
:
: 31,131,173 shares (Shared)
: 0 shares (None)

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
92,025,094 shares

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES
CERTAIN SHARES

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11
13.9 %

(14) TYPE OF REPORTING PERSON
IA

CUSIP No. 165167107 13D

(1) NAMES OF REPORTING PERSONS
O. Mason Hawkins I.D. No. XXX-XX-XXXX

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:
(a)
(b) X

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(3) SEC USE ONLY

(4) SOURCE OF FUNDS
00: None

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
Citizen of United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

: (7) SOLE VOTING POWER
: (Discretionary Accounts)
: None

: (8) SHARED VOTING POWER
: None

: (9) SOLE DISPOSITIVE POWER
: None

: (10) SHARED DISPOSITIVE POWER
: None

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
None (See Item 3)

(12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES
CERTAIN SHARES []

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11
0.0 %

(14) TYPE OF REPORTING PERSON
IN

Item 4. Introduction

Southeastern's Schedule 13D's filed May 2 and 7, 2012 are incorporated herein by reference and are supplemented with the following additional information.

At the 2012 Annual Meeting of Shareholders, Southeastern voted against both directors up for election, Richard Davidson and Burns Hargis. However, we would be supportive of Mr. Hargis' resignation not being accepted by the Board until the Audit Committee, which he chairs, completes the Board review currently underway. We would anticipate this review being completed as quickly as possible, although it needs to be handled appropriately. We are hopeful that this review can be completed in a matter of weeks not months. This timing change would not impact the election of the three directors we will be recommending as laid out in the company press release this past Monday.

We applaud this morning's announced sale of the midstream assets. As laid out

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in our Schedule 13D dated May 7, 2012, we urged the move not just to strengthen the balance sheet but also to reduce future capital spending. We are pleased that the company has moved so quickly to increase its financial flexibility, and support management's intentions to monetize other meaningful non-core assets not recognized in today's share price. We believe that management and the soon-to-be reconstituted board will vigilantly prioritize and pursue these and other value-creating opportunities.

Item 5. Interest In Securities Of The Issuer

(a) The aggregate number and percentage of Securities to which this Schedule 13D relates is 92,025,094 shares of the common stock of the Issuer, constituting approximately 13.9% of the 662,343,738 shares outstanding. This amount includes 4,569,199 in Securities underlying shares in the following convertible preferred stock:

73,420 shares 5.75% (cusip 165167776)
51,680 shares 5.75% (cusip 165167784)

	Common Shares Held	% of outstanding Common Shares
<hr/>		
Voting Authority		
Sole:	51,938,249*	7.8%
Shared:	31,131,173**	4.7%
None:	8,955,672	1.4%
 Total	 92,025,094	 13.9%

*This amount includes 848,602 in Securities underlying shares in convertible preferred stock.

**Consists of shares owned by Longleaf Partners Fund, a series of Longleaf Partners Funds Trust, an open-end management investment company registered under the Investment Company Act of 1940. This amount includes 3,720,597 in Securities underlying shares in convertible preferred stock.

Dispositive Authority

Sole:	60,893,921*	9.2%
Shared:	31,131,173**	4.7%
None:	0	0.0%
 Total	 92,025,094	 13.9%

*This amount includes 848,602 in Securities underlying shares in convertible preferred stock.

**Consists of shares owned by Longleaf Partners Fund, a series of Longleaf Partners Funds Trust, an open-end management investment company registered under the Investment Company Act of 1940. This amount includes 3,720,597 in Securities underlying shares in convertible preferred stock.

(b) Southeastern generally has the sole power to dispose of or to direct the disposition of the Securities held for discretionary accounts of its investment clients, and may be granted the sole power to vote or direct the vote of such Securities; such powers may be retained by or shared with the respective clients for shared or non-discretionary accounts. Shares held by

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any Series of Longleaf Partners Funds Trust are reported in the "shared" category.

(c) Purchase or sale transactions in the Securities during the past sixty days are disclosed on Schedule II.

(d) The investment advisory clients of Southeastern have the sole right to receive and, subject to notice, to withdraw the proceeds from the sale of the Securities, and the sole power to direct the receipt of dividends from any of the Securities held for their respective accounts. Such clients may also terminate the investment advisory agreements without penalty upon appropriate notice. Southeastern does not have an economic interest in any of the Securities reported herein.

(e) Not applicable.

Signatures

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: June 8, 2012

Southeastern Asset Management, Inc.

By /s/ Andrew R. McCarroll

Andrew R. McCarroll
Vice President and General Counsel

O. Mason Hawkins, Individually

/s/ O. Mason Hawkins

Joint Filing Agreement

In accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, the persons or entities named below agree to the joint filing on behalf of each of them of this Initial Schedule 13D with respect to the Securities of the Issuer and further agree that this joint filing agreement be included as an exhibit to this Initial to Schedule 13D. In evidence thereof, the undersigned hereby execute this Agreement as of June 8, 2012.

Southeastern Asset Management, Inc.

By /s/ Andrew R. McCarroll

Andrew R. McCarroll
Vice President and General Counsel

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O. Mason Hawkins, Individually

/s/ O. Mason Hawkins

SCHEDULE II

Transaction Type	Date	# of Shares	Price per Share*
Purchase	04/11/12	54,000	\$20.24
Sale	04/23/12	159,392	\$17.74
Sale	05/08/12	6,000	\$16.73
Sale	05/08/12	4,000	\$16.73
Sale	05/08/12	2,000	\$16.73
Sale	05/08/12	11,000	\$16.73
Sale	05/08/12	11,000	\$16.73
Sale	05/08/12	1,000	\$16.73
Purchase	05/14/12	627,000	\$15.72
Purchase	05/15/12	14,500	\$15.04

Sales and purchases by Southeastern clients in the ordinary course of business on the New York Stock Exchange or through Electronic Communication Networks (ECNs). In addition to the above transactions, on April 13, 2012 clients of Southeastern terminating their advisory relationship removed 179,000 shares from Southeastern's discretion and on April 25, 2012, a client of Southeastern added 312,000 shares to Southeastern's discretion, which had been acquired by a transaction manager.

Preferred CUSIP 165167776

Purchase	04/20/12	1,900	\$851.22
Purchase	04/20/12	2,000	\$851.85

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Purchase	04/20/12	300	\$851.22
Purchase	04/20/12	500	\$851.85
Purchase	04/20/12	5,300	\$851.22
Purchase	04/20/12	7,500	\$851.85
Purchase	04/20/12	300	\$867.50
Purchase	04/27/12	31,000	\$843.39
Purchase	05/14/12	3,700	\$773.65
Purchase	05/15/12	4,100	\$766.53
Purchase	05/15/12	600	\$766.53
Purchase	05/15/12	5,700	\$766.53
Purchase	05/15/12	2,100	\$766.53
Purchase	05/16/12	5,000	\$758.17
Purchase	05/16/12	2,000	\$751.95

Preferred CUSIP 165167784

Purchase	04/18/12	12,000	\$842.92
Purchase	04/19/12	700	\$851.92
Purchase	04/19/12	600	\$851.93
Purchase	04/19/12	2,400	\$851.92
Purchase	04/19/12	11,300	\$851.92
Purchase	04/20/12	5,000	\$843.16
Purchase	05/14/12	3,550	\$781.25
Purchase	05/15/12	100	\$765.00
Purchase	05/15/12	300	\$767.37
Purchase	05/15/12	100	\$765.00
Purchase	05/15/12	300	\$767.37
Purchase	05/15/12	300	\$765.00
Purchase	05/15/12	1,400	\$767.37
Purchase	05/15/12	2,030	\$765.00
Purchase	05/15/12	11,600	\$767.37

* Net of commissions.

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SCHEDULE 13D - Chesapeake Energy Corporation ("Issuer")

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