CHESAPEAKE ENERGY CORP
Form 424B2
March 19, 2013
Table of Contents

Filed Pursuant to Rule 424(b)(2)
Registration No. 333-168509

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Offered	Amount to be Registered	Offering Price	Amount of Registration Fee [1]
Senior Notes	$2,300,000,000	$2,300,000,000	$313,720.00

(1) The registration fee, calculated in accordance with Rule 457(r), is being transmitted to the SEC on a deferred basis pursuant to Rule 456(b).

Table of Contents

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED AUGUST 3, 2010

$2,300,000,000

$500,000,000 3.250% Senior Notes due 2016

$700,000,000 5.375% Senior Notes due 2021

$1,100,000,000 5.750% Senior Notes due 2023

We are offering $2.3 billion in aggregate principal amount of our Senior Notes, consisting of $500 million of our 3.250% Senior Notes due 2016 (the 2016 notes), $700 million of our 5.375% Senior Notes due 2021 (the 2021 notes) and $1.1 billion of our 5.750% Senior Notes due 2023 (the 2023 notes , and, together with the 2016 notes and the 2021 notes, the notes). We will pay interest on the 2016 notes and the 2023 notes semiannually in arrears on March 15 and September 15 of each year, commencing September 15, 2013, to holders of record at the close of business on the preceding March 1 and September 1, respectively. We will pay interest on the 2021 notes semiannually in arrears on June 15 and December 15 of each year, commencing December 15, 2013, to holders of record at the close of business on the preceding June 1 and December 1, respectively. The 2016 notes will mature on March 15, 2016, the 2021 notes will mature on June 15, 2021 and the 2023 notes will mature on March 15, 2023.

The notes will be guaranteed on a senior unsecured basis by each of our existing wholly owned subsidiaries (other than the Chesapeake Oilfield Services Companies (as defined herein), CHK Cleveland Tonkawa, L.L.C. (CHK C-T), CHK Utica, L.L.C. (CHK Utica), our other unrestricted subsidiaries (as defined herein) and certain** de minimis **subsidiaries) and certain of our future subsidiaries, subject to our right, more fully described herein, to obtain the release of such guarantees under certain circumstances. The notes will be senior unsecured obligations of Chesapeake Energy Corporation (Chesapeake) and will rank equally in right of payment with all of Chesapeake s existing and future senior debt and senior to any subordinated debt that it may incur. The notes will be effectively subordinated to the existing and future secured debt and other secured obligations of Chesapeake and the subsidiary guarantors, including debt under our corporate revolving bank credit facility and our obligations under our multi-counterparty secured commodity hedging facility, to the extent of the value of the assets securing obligations under such facilities. The notes will also be structurally subordinated to the rights of creditors and preferred security holders of our subsidiaries that do not guarantee the notes.

The notes will be treated as three separate series of debt securities under the same indenture. We may redeem some or all of the 2016 notes at any time prior to March 15, 2014 at a price equal to 100% of the principal amount of the 2016 notes to be redeemed plus a make-whole premium. In addition, we may redeem some or all of the 2016 notes at any time on or after March 15, 2014 at the redemption prices set forth in this prospectus supplement. We may redeem some or all of the 2021 notes at any time prior to June 15, 2016 at a price equal to 100% of the principal amount of the 2021 notes to be redeemed plus a make-whole premium. In addition, we may redeem some or all of the 2021 notes at any time on or after June 15, 2016 at the redemption prices set forth in this prospectus supplement. We may redeem some or all of the 2023 notes at any time at a price equal to 100% of the principal amount of the 2023 notes to be redeemed plus a make-whole premium. See Description of Notes Optional Redemption. If we or certain of our subsidiaries enter into certain sale-leaseback transactions and do not reinvest the proceeds or repay certain senior debt, we must offer to repurchase the notes.

Investing in the notes involves risks. For a discussion of certain of these risks, please read the discussion of material risks described in Risk Factors beginning on page S-15.

	Price to Public[(1)]	Underwriting Discount	Proceeds to Chesapeake[(1)]
Per 2016 note	*100.00%*	*1.00%*	*99.00%*
Total	$500,000,000	$5,000,000	$495,000,000
Per 2021 note	*100.00%*	*1.00%*	*99.00%*
Total	$700,000,000	$7,000,000	$693,000,000
Per 2023 note	*100.00%*	*1.00%*	*99.00%*
Total	$1,100,000,000	$11,000,000	$1,089,000,000

(1) Before expenses and plus any accrued interest from April 1, 2013.

The underwriters expect to deliver the notes to investors on or about April 1, 2013 in book-entry form through the facilities of The Depository Trust Company.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Joint Book-Running Managers

Morgan Stanley *Credit Suisse*
Citigroup *Goldman, Sachs & Co.* *Wells Fargo Securities*

Senior Co-Managers

Barclays *BofA Merrill Lynch* *Credit Agricole CIB* *Deutsche Bank Securities*
DNB Markets *Jefferies* *Mitsubishi UFJ Securities* *Mizuho Securities* *Natixis*
Nomura *RBS* *Scotiabank* *UBS Investment Bank*

Co-Managers

Comerica Securities *Macquarie Capital* *PNC Capital Markets LLC*
Santander *SMBC Nikko* *TD Securities*

The date of this prospectus supplement is March 18 , 2013.

Table of Contents

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

PROSPECTUS

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus that we may provide to you. We have not authorized anyone to provide you with different or additional information. Further, you should not assume that the information contained in or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the dates of this prospectus supplement or the accompanying prospectus or that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of notes and certain terms of the notes and the guarantees. The second part is the accompanying prospectus, which gives more general information.

If the information varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Table of Contents

NOTICE TO INVESTORS

This prospectus supplement and the accompanying prospectus do not offer to sell or ask for offers to buy any of the securities in any jurisdiction where it is unlawful, where the person making the offer is not qualified to do so, or to any person who can not legally be offered the securities.

In making an investment decision, prospective investors must rely on their own examination of the company and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this prospectus supplement and the accompanying prospectus as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the securities under applicable legal investment, or similar laws or regulations.

This prospectus supplement and the accompanying prospectus contain summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us.

Table of Contents

SUMMARY

This summary highlights selected information from this prospectus supplement and the accompanying prospectus but may not contain all information that may be important to you and is qualified in its entirety by the more detailed information included in or incorporated by reference into this prospectus supplement or the accompanying prospectus. This prospectus supplement and the accompanying prospectus include specific terms of this offering, information about our business and financial data. We encourage you to read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein in their entirety, including the information set forth under the heading Risk Factors in this prospectus supplement, before making an investment decision. In addition, certain statements include forward-looking information that involves risks and uncertainties. See Forward-Looking Statements.

CHESAPEAKE

We are the second-largest producer of natural gas, a top 11 producer of oil and natural gas liquids (collectively, liquids) and the most active driller of wells in the U.S. As of December 31, 2012, we owned interests in approximately 45,400 producing natural gas and oil wells that are currently producing approximately 3.9 billion cubic feet equivalent, or bcfe, per day, net to our interest. We have built a large resource base of onshore U.S. unconventional natural gas and liquids assets. Our core natural gas resource plays are the Haynesville/Bossier Shales in northwestern Louisiana and East Texas; the Marcellus Shale in the northern Appalachian Basin of West Virginia and Pennsylvania; and the Barnett Shale in the Fort Worth Basin of north-central Texas. In addition, we have built leading positions in the liquids-rich resource plays of the Eagle Ford Shale in South Texas; the Utica Shale in Ohio and Pennsylvania; the Granite Wash, Cleveland, Tonkawa and Mississippi Lime plays in the Anadarko Basin in northwestern Oklahoma, the Texas Panhandle and southern Kansas; and the Niobrara Shale in the Powder River Basin in Wyoming. We have also vertically integrated many of our operations and own substantial marketing, compression and oilfield services businesses.

As of December 31, 2012, our estimated proved reserves were 15.690 trillion cubic feet equivalent, or tcfe. During the year ended December 31, 2012, we produced 1.422 tcfe, acquired 42 bcfe and divested 1.347 tcfe of estimated proved reserves, including the disposition of 1.013 tcfe of estimated proved reserves associated with the sale of our Permian Basin assets in September and October 2012.

In early 2012, natural gas prices declined to the lowest level in ten years and remained at lower levels throughout 2012. These historically low natural gas prices resulted in the loss of significant proved undeveloped natural gas reserves, primarily in the Barnett Shale and the Haynesville Shale plays, and, as a result of lower reserves, we were required to impair the carrying value of our natural gas and oil properties in the third quarter of 2012.

Our daily production for 2012 averaged 3.886 bcfe, an increase of 614 million cubic feet equivalent, or mmcfe, or 19%, over the 3.272 bcfe of daily production for 2011, and consisted of 3.084 billion cubic feet, or bcf, of natural gas (80% on a natural gas equivalent basis), approximately 85,420 barrels, or bbls, of oil (13% on a natural gas equivalent basis) and approximately 48,130 bbls of natural gas liquids (NGL) (7% on a natural gas equivalent basis). In 2012, our natural gas production increased by 333 million cubic feet, or mmcf, per day, or 12%; our oil production increased by approximately 38,950 bbls per day, or 84%; and our NGL production increased by approximately 7,820 bbls per day, or 19%.

We are an Oklahoma corporation. Our principal offices are located at 6100 North Western Avenue, Oklahoma City, Oklahoma 73118, and our telephone number is 405-848-8000.

S-1

Table of Contents

RECENT DEVELOPMENTS

Corporate Governance and Executive Compensation

In January 2013, we announced a number of initiatives established by our Board of Directors (the Board) to, among other things, enhance our corporate governance structure, enhance Board oversight and adopt an executive compensation philosophy that better aligns executive pay to Company performance. These initiatives are described more fully in Chesapeake s Current Report on Form 8-K filed on January 7, 2013.

One of the governance initiatives announced in January concerned our commitment to seek relief from an Oklahoma statute that required certain public companies incorporated in Oklahoma, including us, to maintain a board with classes of directors. The Oklahoma legislature recently amended the Oklahoma General Corporation Act, effective March 5, 2013, to remove the applicable requirement that we have a classified board. Accordingly, at the 2013 Annual Meeting of Shareholders, we anticipate that our entire Board will stand for re-election.

Composition of the Board of Directors; CEO Departure

On June 21, 2012, following the 2012 Annual Meeting of Shareholders, the Board appointed three independent directors proposed by Southeastern Asset Management (SAM) and one independent director proposed by Carl C. Icahn and his affiliated entities (Icahn) to fill vacancies created by the resignation of four independent directors pursuant to previously announced agreements with such shareholders. SAM and Icahn were, at the time of such appointments, and remain our two largest shareholders. SAM owns approximately 14% of our outstanding common stock based on the Schedule 13D/A dated June 8, 2012 and filed with the Securities and Exchange Commission (SEC) by SAM, and Icahn owns approximately 9% of our outstanding common stock based on the Schedule 13D/A dated November 19, 2012 and filed with the SEC by Icahn. The directors that were proposed by SAM are Bob G. Alexander, R. Brad Martin and Frederic M. Poses and the director that was proposed by Icahn is Vincent J. Intrieri.

Additionally, on June 21, 2012, the Board appointed Archie W. Dunham to fill a vacancy created by the retirement of an independent director and to serve as Non-Executive Chairman of the Board, replacing Aubrey K. McClendon, who previously served as Chairman of the Board.

On January 29, 2013, Mr. McClendon agreed with the Board to retire from Chesapeake. Mr. McClendon will continue to serve as Chief Executive Officer, President and a director until the earlier of April 1, 2013 or the time at which his successor is appointed. See Risk Factors Risks Related to Our Business We are currently involved in a search for a new CEO and if this search is delayed or if we were to lose the services of other key personnel, our business could be negatively impacted. Mr. McClendon s departure from Chesapeake will be treated as a termination without cause under his employment agreement.

On March 7, 2013, the Board accepted the resignation of V. Burns Hargis from the Board and appointed Louis A. Raspino to fill such vacancy and to serve as Chairman of the Board s Audit Committee.

For a description of the current composition of the Board and the committees thereof and the biographies of the directors, please see Board of Directors.

6.775% Senior Notes due 2019 Litigation

On March 8, 2013, we filed a lawsuit in the United States District Court for the Southern District of New York (the Court) against The Bank of New York Mellon Trust Company, N.A. (BNY Mellon), as trustee under the Ninth Supplemental Indenture dated February 16, 2012 (the 2019 Notes Supplemental Indenture) to

Table of Contents

enforce our right under the 2019 Notes Supplemental Indenture to redeem our outstanding 6.775% Senior Notes due 2019 (the 2019 Notes) at par value so long as we have issued a notice of redemption on or prior to March 15, 2013 (the 2019 Notes Litigation). In the 2019 Notes Litigation, we are seeking a declaratory judgment that the Notice of Special Redemption at Par that we issued on March 15, 2013 (the March 15 Special Redemption Notice) will be timely and effective to redeem the 2019 Notes at par value. We also requested a preliminary order from the Court that, if the Court does not ultimately determine that the March 15 Special Redemption Notice is timely for a redemption of the 2019 Notes at par value, the March 15 Special Redemption Notice cannot be construed to be a notice to redeem the 2019 Notes under the make-whole provision of the 2019 Notes Supplemental Indenture.

On March 12, 2013, the Court heard oral arguments on our request for the preliminary order from counsel for Chesapeake, BNY Mellon and certain intervening noteholders. On March 14, 2013, the Court denied Chesapeake s request for a preliminary order but, in so doing, the Court observed that it was overwhelmingly likely that our March 15 Special Redemption Notice would not be construed by the Court as a notice to redeem the 2019 Notes under the make-whole provision of the 2019 Notes Supplemental Indenture. Accordingly, on March 15, 2013, we issued the March 15 Special Redemption Notice pursuant to which we will redeem the 2019 Notes on May 13, 2013 at par value, plus accrued and unpaid interest to the redemption date, subject to the Court s decision that such notice was timely. If the Court does not determine on or prior to May 13, 2013 that the March 15 Special Redemption Notice was timely, we expect the March 15 Special Redemption Notice will have no effect and the 2019 Notes will not be redeemed pursuant thereto.

The 2019 Notes Litigation is ongoing. In light of the early stage of the 2019 Notes Litigation, we are unable to predict the ultimate outcome of the litigation, including on any appeal, its impact on Chesapeake or any other actions Chesapeake may seek to take with respect to the 2019 Notes. See Risk Factors Risks Related to Our Business There are significant costs associated with pending legal and governmental proceedings, and the ultimate outcome of these matters is uncertain. and Risk Factors Risks Related to the Notes There is pending litigation with respect to our ability to redeem the 2019 Notes at par value, the ultimate outcome of which could impact our use of proceeds from this offering.

Concurrent Tender Offers

Concurrently with this offering, we are conducting tender offers to purchase for cash any and all of our 7.625% Senior Notes due 2013 (the 2013 Notes) and 6.875% Senior Notes due 2018 (the 2018 Notes). Each of the tender offers will expire at 11:59 p.m., New York City time, on April 12, 2013 or any other date and time to which we extend such tender offer, unless earlier terminated.

Each of the tender offers is conditioned upon a number of customary conditions, including the receipt by Chesapeake, at or prior to the earliest settlement date, of an aggregate amount of at least $1.0 billion in net proceeds from this offering or other debt financing transactions. We are permitted, among other things, to amend or terminate either of the tender offers in accordance with the terms of the Offer to Purchase dated March 18, 2013 and applicable law, and there is no assurance that either tender offer will be consummated in accordance with its terms, or at all. This offering is not conditioned upon the successful consummation of either tender offer.

The purpose of the tender offers is to reduce interest costs and to lengthen the maturity profile of our outstanding indebtedness. This prospectus supplement is not an offer to purchase or a solicitation of an offer to sell the 2013 Notes or the 2018 Notes. The tender offers are being made only by and pursuant to, and on the terms and subject to the conditions set forth in, the Offer to Purchase dated March 18, 2013.

Table of Contents

THE OFFERING

The summary below describes the principal terms of the notes. Some of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus supplement contains a more detailed description of the terms and conditions of the notes.

Issuer	Chesapeake Energy Corporation.
Notes Offered	$2.3 billion in aggregate principal amount of our Senior Notes, consisting of:
	$500 million in aggregate principal amount of 3.250% Senior Notes due 2016 (the 2016 notes);
	$700 million in aggregate principal amount of 5.375% Senior Notes due 2021 (the 2021 notes); and
	$1.1 billion in aggregate principal amount of 5.750% Senior Notes due 2023 (the 2023 notes).
	The notes will be treated as three separate series of debt securities under the same indenture.
Maturity Date	March 15, 2016 for the 2016 notes.
	June 15, 2021 for the 2021 notes.
	March 15, 2023 for the 2023 notes.
Interest	Interest on the 2016 notes will accrue at an annual rate of 3.250% and will be paid semi-annually in arrears on March 15 and September 15 of each year, commencing September 15, 2013.
	Interest on the 2021 notes will accrue at an annual rate of 5.375% and will be paid semi-annually in arrears on June 15 and December 15 of each year, commencing December 15, 2013.
	Interest on the 2023 notes will accrue at an annual rate of 5.750% and will be paid semi-annually in arrears on March 15 and September 15 of each year, commencing September 15, 2013.

Guarantees	The notes will be unconditionally guaranteed, jointly and severally, by (i) each of our existing wholly owned subsidiaries, excluding the Chesapeake Oilfield Services Companies, CHK C-T, CHK Utica, our other unrestricted subsidiaries and certain *de minimis* subsidiaries, and (ii) each of our future subsidiaries that guarantees any other indebtedness of us or a subsidiary guarantor in excess of $25 million. The guarantee of any subsidiary guarantor will be released automatically if we dispose of the subsidiary guarantor or it ceases to guarantee certain other indebtedness of us or any other subsidiary guarantor. See Description of Notes Guarantees. The guarantee of each subsidiary guarantor will be a senior unsecured obligation of such subsidiary guarantor and will rank equally in right of payment to all of such subsidiary guarantor s existing and future senior indebtedness. The guarantee of each subsidiary guarantor will rank senior in right of payment to all of such subsidiary guarantor s future subordinated indebtedness. The guarantee of each subsidiary guarantor will be effectively subordinated to such subsidiary guarantor s existing

Table of Contents

and future secured debt and other secured obligations to the extent of the value of the assets securing such debt and other obligations.

At December 31, 2012, the total assets and total liabilities of our non-guarantor subsidiaries were approximately $6.0 billion and $3.8 billion, respectively, and, for the year ended December 31, 2012, our non-guarantor subsidiaries generated $2.5 billion and $34 million of our revenues and net income, respectively.

Ranking

The notes will be senior unsecured obligations and will rank equally in right of payment to all of Chesapeake s existing and future senior indebtedness. The notes will rank senior in right of payment to all of Chesapeake s future subordinated indebtedness. The notes will be effectively subordinated to Chesapeake s existing and future secured debt and other secured obligations, including under its corporate revolving bank credit facility and its multi-counterparty secured commodity hedging facility, to the extent of the value of the assets securing amounts outstanding under such facilities. The notes also will be structurally subordinated to the rights of creditors and preferred security holders of Chesapeake s subsidiaries that do not guarantee the notes, including the Chesapeake Oilfield Services Companies, CHK C-T, CHK Utica and our other unrestricted subsidiaries. See Description of Notes Ranking.

As of December 31, 2012, we had long-term indebtedness of approximately $12.601 billion (excluding discounts), short-term indebtedness consisting of approximately $464 million in aggregate principal amount of outstanding 2013 Notes that mature in July 2013 and unrestricted cash of $287 million, and our net indebtedness represented 41% of our total book capitalization, which we define as the sum of total equity and total current and long-term debt less unrestricted cash.

As of December 31, 2012, we had an aggregate of approximately $13.065 billion in principal amount of indebtedness outstanding, consisting of (1) approximately $9.997 billion of senior notes issued by Chesapeake (including approximately $464 million in aggregate principal amount of outstanding 2013 Notes that mature in July 2013) that will be *pari passu* with the notes offered hereby, (2) $2.0 billion outstanding under Chesapeake s unsecured November 2012 term loan (as defined herein) that will be *pari passu* with the notes offered hereby and (3) $1.068 billion in borrowings outstanding under the oilfield services revolving bank credit facility and in outstanding COO 2019 Senior Notes (as defined herein), the borrowers, issuers and guarantors under which are not guarantors of Chesapeake s existing senior notes or the notes offered hereby. As of December 31, 2012, we did not have any borrowings outstanding under our corporate revolving bank credit facility, and, as of March 15, 2013, we had outstanding borrowings of approximately $1.221 billion under our corporate revolving credit facility.

After giving effect to the purchase, repayment and/or redemption of the 2013 Notes (approximately $464 million in aggregate principal

Table of Contents

	amount of which was outstanding as of December 31, 2012) and the investment of the remainder of the net proceeds of this offering in cash equivalents as described under Use of Proceeds, we would have had, on an as adjusted basis, as of December 31, 2012, unrestricted cash of $2.090 billion and an aggregate of approximately $14.901 billion in principal amount of indebtedness outstanding, consisting of (1) approximately $11.833 billion of senior notes issued by Chesapeake, which includes the principal amount of the notes offered hereby, (2) $2.0 billion outstanding under Chesapeake s unsecured November 2012 term loan, (3) $0 of borrowings outstanding under Chesapeake s corporate revolving bank credit facility and (4) $1.068 billion in borrowings outstanding under the oilfield services revolving bank credit facility and in outstanding COO 2019 Senior Notes, the borrowers, issuers and guarantors under which are not guarantors of Chesapeake s existing senior notes or the notes offered hereby. In addition, each of CHK C-T and CHK Utica, which are not guarantors of Chesapeake s existing senior notes or the notes offered hereby, is the issuer of a series of preferred stock having an aggregate outstanding liquidation preference of approximately $1.63 billion and $1.65 billion, respectively, as of December 31, 2012. See Description of Certain Other Indebtedness and Preferred Securities.
Optional Redemption	Beginning on March 15, 2014, we may redeem the 2016 notes, in whole or in part, at the redemption prices listed under Description of Notes Optional Redemption 2016 Notes, plus accrued and unpaid interest to the redemption date. Prior to March 15, 2014, we may redeem the 2016 notes, in whole or in part, pursuant to a make-whole call, plus accrued and unpaid interest to the redemption date. See Description of Notes Optional Redemption 2016 Notes.
	Beginning on June 15, 2016, we may redeem the 2021 notes, in whole or in part, at the redemption prices listed under Description of Notes Optional Redemption 2021 Notes, plus accrued and unpaid interest to the redemption date. Prior to June 15, 2016, we may redeem the 2021 notes, in whole or in part, pursuant to a make-whole call, plus accrued and unpaid interest to the redemption date. See Description of Notes Optional Redemption 2021 Notes.
	At any time, we may redeem the 2023 notes, in whole or in part, pursuant to a make-whole call, plus accrued and unpaid interest to the redemption date. See Description of Notes Optional Redemption 2023 Notes.
Restrictive Covenants	The indenture governing the notes contains covenants that limit our ability and certain of our subsidiaries ability to:
	create liens securing certain indebtedness;
	enter into certain sale-leaseback transactions; and
	consolidate, merge or transfer assets.
	The covenants are subject to a number of exceptions and qualifications. See Description of Chesapeake Debt Securities Certain Covenants in the accompanying prospectus.

Use of Proceeds	We expect the net proceeds from this offering to be approximately $2.274 billion, after deducting underwriting discounts and commissions and the estimated expenses of this offering. We intend to use a portion of the net proceeds from this offering to purchase the portion of the 2013 Notes and the 2018 Notes that are tendered in the concurrent tender offers. See Recent Developments Concurrent Tender Offers. We plan to use a substantial portion of the remaining net proceeds from this offering to redeem the 2019 Notes at par value pursuant to the March 15 Special Redemption Notice, subject to receipt of a favorable ruling from the Court in the 2019 Notes Litigation. To the extent that any portion of the net proceeds of this offering is not used as described above, we plan to use such net proceeds to purchase, repay and/or redeem any 2013 Notes not tendered in the concurrent tender offer and to purchase, repay and/or redeem over time other outstanding indebtedness, including indebtedness outstanding under our corporate revolving bank credit facility. Pending the use of any net proceeds from this offering, we plan to invest such proceeds in short-term marketable investments. Depending on the developments in the 2019 Notes Litigation, we may have a significant amount of net proceeds available for application in our discretion and the timing and amount of any indebtedness repurchases, repayments or redemptions may occur over a period of time and may vary depending on the circumstances at the time. See Recent Developments 6.775% Senior Notes due 2019 Litigation and Use of Proceeds. See also Risk Factors Risks Related to Our Business There are significant costs associated with pending legal and governmental proceedings, and the ultimate outcome of these matters is uncertain and Risk Factors Risks Related to the Notes There is pending litigation with respect to our ability to redeem the 2019 Notes at par value, the ultimate outcome of which could impact our use of proceeds from this offering.
Book-Entry and Form	Initially, the notes of each series will be represented by one or more permanent global certificates in definitive, fully registered form deposited with a custodian for, and registered in the name of, a nominee of The Depository Trust Company.
Delivery	We expect that delivery of the notes will be made against payment therefor on or about April 1, 2013, which is the tenth business day following the date of pricing of the notes (such settlement being referred to as T+10). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes prior to the delivery of the notes hereunder will be required, by virtue of the fact that the notes initially are expected to settle in T+10, to specify an alternative settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to their date of delivery hereunder should consult their own advisors.

Table of Contents

RISK FACTORS

You should carefully consider all information in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein as set out in the section entitled Where You Can Find More Information. In particular, you should evaluate the specific risk factors set forth in the section entitled Risk Factors in this prospectus supplement for a discussion of risks relating to an investment in the notes.

Table of Contents

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables set forth summary consolidated financial data as of and for each of the three years ended December 31, 2012, 2011 and 2010. This data (other than balance sheet data for 2010, which was derived from previously filed audited financial statements) was derived from our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference herein. The historical financial information may not be indicative of our future performance. The financial data below should be read together with, and is qualified in its entirety by reference to, our historical consolidated financial statements and the accompanying notes and Management s Discussion and Analysis of Financial Condition and Results of Operations appearing in such Annual Report on Form 10-K.

	Years Ended December 31,		
	2012	2011	2010
	($ in millions, except per share data)		
Statement of Operations Data:			
Revenues:			
Natural gas, oil and NGL	$ 6,278	$ 6,024	$ 5,647
Marketing, gathering and compression	5,431	5,090	3,479
Oilfield services	607	521	240
Total Revenues	12,316	11,635	9,366
Operating Expenses:			
Natural gas, oil and NGL production	1,304	1,073	893
Production taxes	188	192	157
Marketing, gathering and compression	5,312	4,967	3,352
Oilfield services	465	402	208
General and administrative	535	548	453
Natural gas, oil and NGL depreciation, depletion and amortization	2,507	1,632	1,394
Depreciation and amortization of other assets	304	291	220
Impairment of natural gas and oil properties	3,315		
Net gains on sales of fixed assets	(267)	(437)	(137)
Impairments of fixed assets and other	340	46	21
Employee retirement and other termination benefits	7		