LIKE NEVER BEFORE, it is a new day at Chesapeake. Our employees have driven billions of dollars in value into our company this year, creating a healthy, stable, growth-oriented business with operational performance that rivals our competitors. From drilling and completing wells more efficiently while driving down costs to capturing the most value from production operations, employees have shown us just what the new Chesapeake looks like. Fiercely competitive. Always improving. Never settling. And 2014 is just the start.

This issue reflects a sliver of the many innovations and shared best practices that make Chesapeake a great business, a great investment and a great place to work.

Sarah Piowaty // Editor

ON THE COVER
Daybreak meets a Chesapeake production site on the plains of eastern Wyoming. The company is laying a solid foundation in this quickly growing operating area as it increases returns while cutting capital costs.

FOCUSED ON A MILLION-BARREL FUTURE
With growing production and operating efficiencies on the rise in 2014, Chesapeake aims to reach a rare production milestone within five years.

DRILLING ALL-STAR WELLS
IN THE SOONER STATE
Blending innovation with collaboration, Chesapeake is drilling faster wells and saving millions of dollars in the Mid-Continent South.

HAYNESVILLE TEAM PROVES TIME IS MONEY
From moving to 24-hour completions to cutting costs by more than 35%, the Haynesville Shale completions team takes competitive drive to a new level.

PLAY The active leasing and exploration for oil or natural gas in an area; wildcatting in or on a geological trend.

The Play is designed and published twice a year by Chesapeake’s Communications Department and can be viewed online at chk.com under Media.

This publication includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements other than those of historical fact that give our current expectations or forecasts of future events. They include estimated natural gas and liquids proved reserves, production forecasts, estimated operating costs, assumptions regarding future natural gas and liquids prices, effects of anticipated asset sales, planned drilling activity and drilling and completion capital expenditures (including the use of joint venture drilling carries), and other anticipated cash outflows, as well as projected cash flow and liquidity, effects of planned debt reduction, business strategy and other plans and objectives for future operations.

Contact us
Email: communications@chk.com
Mail: P.O. Box 18128 Oklahoma City, OK 73154-0128

Designers
Amy Neal
Ginny Bourke
Joel Uber
Contributing writer
Lindsay McIntyre
THE NEXT BIG THING
A team of employees turn a subpar operating area into a high-return, production-growing operation in Wyoming’s Powder River Basin.

GETTING AHEAD OF THE CURVE
Geophysicist Dan Shearer elevates a time- and money-saving solution to a 3-D seismic challenge.

EXECUTIVE SPOTLIGHT
EHS Vice President Brittany Benko instills a culture of safety at Chesapeake through a heightened focus on protecting the environment, respecting owners and responsibly producing energy.

INSIDE CHESAPEAKE
Solid financial discipline and transparency with our stakeholders reinforce our commitment to being a partner of choice.
FOCUSED ON
A Million-Bar
This year Chesapeake began a focused climb to reach a production milestone of 1 million barrels of oil equivalent (boe) a day in the next five years. Capitalizing on the strength of its people, healthy financials and continually improving operational performance, Chesapeake has laid a solid foundation to reach this goal with the assets it holds today.
Combining field knowledge with innovation, Chesapeake’s production field teams work with the Operations Support Center to transport and sell each load of oil (180 barrels) as soon as it’s ready for market, giving Chesapeake a competitive edge among its peers. Not only does this generate faster sales, it minimizes the risk for spills and other safety hazards.

Field teams dramatically improved completions cycle times in several ways, including increased multiwell padsites, shortened equipment-move times and simultaneous fracturing, when crews fracture one well while perforating another on the same pad — all leading to higher production in 2014.
PUMPING UP IN SOUTH TEXAS

South Texas net production grew nearly 15% between year-end 2013 and September of this year, primarily due to improvements in artificial lift installations, cycle times and controllable downtime. The results not only generated faster production from new wells, they significantly improved the base production of older wells.

Artificial lift helps improve production while overcoming the natural pressure decline in wells — pressure that brings the oil or natural gas to the surface but decreases as hydrocarbons leave the reservoir. A well’s production rate may drop by half after one year, and after several years pressure may be depleted enough to prevent flow to the surface. Artificial lift equipment helps the remaining pressure bring hydrocarbons to the surface. This year South Texas teams committed to increasing their artificial lift installations while keeping expenses in check.

“Through constant collaboration between teams in the field and in Oklahoma City, we now average 10 installations per week, up from just four earlier this year,” said Geno Hill, Operations Manager – South Texas. “And once a well’s artificial lift is installed, production technicians and operators engineers continue evaluating and making adjustments to ensure each one is as efficient as possible.” As a result, each well’s daily average production rose 40 boe per day. Even more impressive, while the number of installations increased, their costs did not — the teams are under budget by 22%.

The region also reduced cycle times, contributing to higher production — the less time spent drilling, the faster a well begins producing. In the last year South Texas cut drilling cycle times by 11%, in part by implementing a spudder rig program, where a smaller, specialized rig sets the surface sections instead of a conventional big rig. While the spudder rig prepares surfaces, the big rig travels from well to well, drilling the production section and moving wells to production sooner.

“We’re drilling more wells with the same number of big rigs by cutting two to four days off cycle times when we use spudder rigs,” said Jason Stidham, Manager – Drilling, South Texas. “Currently we use spudder rigs on about half of our new wells, and we intend to ramp that up to 100% in 2015.”

Finally, South Texas teams implemented several initiatives to reduce controllable, equipment-related downtime. Through collaborative efforts field and technical teams continue to identify trends and execute solutions to optimize production, which has contributed to decreasing controllable downtime from 36% to 12% since January. The teams also added new night lease operators to bring producing wells back online quickly should one go down overnight. In the past, overnight production interruptions could not be corrected until daylight.

DOWNTIME IN THE UTICA DROPPED FROM 36% TO 12%

While Chesapeake’s Utica production was substantial in 2013, bringing new infrastructure online in 2014 and decreasing downtime has contributed to expected year-over-year 300% growth in natural gas, natural gas liquids (NGL) and oil production for the region.

To produce and deliver large amounts of natural gas and NGL, infrastructure that requires years of planning, design and construction must be in place, including gathering, compression and processing facilities. Chesapeake’s marketing division negotiates contracts with midstream companies that build the infrastructure, which requires 18 to 24 months of planning for multiple facilities. Opening a new gathering facility can only benefit production when compression and processing capacity increase as well.

“In the last two years we’ve worked closely with the Utica’s operations teams to plan and develop the infrastructure needed to support the forecasted gas and NGL production,” said Sylvain Riba of Chesapeake’s Commercial Services Department.

“So far this year, the new facilities have increased our daily processing capacity by 200,000 cubic feet and compression capacity by 335,000 cubic feet. With additional capacity coming later this year, we’ll have another 150,000 in processing and 110,000 in compression each day.”

As in South Texas and other Chesapeake operating areas, reducing downtime in the Utica also leads to faster sales. By the end of the third quarter Utica field teams surpassed the number of wells turned to sales in all of 2013, with an expected year-end improvement of more than 25%.

“We’ve right-sized our production facilities and optimized our scheduling to maximize pad production and bring wells to sales faster. Also, our lease operators continue to improve downtime, which this year we’ve cut from 36% to 12% between the first and third quarters,” said Matt Rucker, Production Superintendent. “Everyone’s perseverance and teamwork has been amazing, from managing the long-term planning to how well our field teams have optimized our operations. Going forward, we’re focused on continuing to capture the most value from our assets and facilities to keep growing this strong company.”
DRILLING ALL-STAR WELLS in the SOONER STATE
While the shortest distance between two points may very well be a straight line, when time is money and your goal is reaching your destination as quickly and safely as possible, you want to make sure you know everything about that road — where you should downshift, where the road is rough and when you can let cruise control take over. At Chesapeake, a group of drilling engineers and the company’s Operations Support Center (OSC) work together to provide teams in Oklahoma’s Mid-Continent South district with an ideal drilling road map for each new well in the district — the result of modeling previous wells successfully drilled in the same area. They are one of many Chesapeake teams elevating innovative ideas and driving top operating performance. Since work began in the second quarter of 2014 with wells in the Colony Wash area, the teams have cut average drilling days by 24% compared to 2013, saving more than $1 million per well.

The OSC opened in 2011, when its drilling analysts began gathering real-time drilling data while monitoring a small number of Chesapeake wells 24 hours a day. Its capacity grew, and in 2012 the OSC began monitoring Mid-Continent South wells, capturing drilling data nearly every second.

OSC teams now work closely with Mid-Continent South drilling engineers, who are responsible for designing every well. The OSC introduced the engineering team to its new offset analysis tool, designed to capture more value from historical drilling data. Brainstorming ensued, and together they created a pilot program for step-by-step optimized drilling.

“It truly is a combined group effort,” said Jake Waddle, Engineering Analyst II and the OSC’s project lead for the program. “Knowing the next well to be drilled, the drilling engineers select up to five previously drilled wells in the same area, known as offset wells. The tool takes the real-time historical data of the offset wells and creates ideal parameters for drilling.”

OSC drilling analysts use the tool to determine each offset well’s rate of penetration (ROP), or drilling speed, through each section. For example, if between 5,000 and 5,200 feet “Well A” drilled the fastest, its operating measures at that depth — such as weight on the drill bit and the drill bit’s revolutions per minute — become the model for the new well at the same depth. The district’s drilling engineers help finalize the parameters for each section of the new well, including a target ROP with top and bottom thresholds. The information is then communicated to the drilling superintendents and company men in the field.

"Colony Wash wells are very similar in structure throughout the formation, so it was an ideal area to test this new process," said Nathan Bland, Drilling Engineer II in the district, who credits collaboration among the OSC, drilling superintendents, company men and drilling contractors in the field with the fast results.

“The field team cut about two days off of just one drilling section in each of the first two wells we drilled.”

While planning is critical, evaluating and tracking progress is at the heart of Chesapeake’s commitment to continuous improvement. During drilling the OSC’s drilling analysts overlay each well’s road map with the real-time drilling data coming from the rig. It’s one large moving graph that shows, among other elements, the current ROP in relation to the target and established thresholds. A hit to any threshold triggers an alert to the drilling engineers and field drilling teams, who also receive hourly updates. If the ROP isn’t where it should be, Bland and the drilling superintendent or on-site company man can discuss solutions, try a new parameter and, through the OSC’s monitoring, quickly see whether it helps. At other times, the company man knows immediately what adjustments need to take place. Drilling superintendents such as William Daniel rely on their richly experienced teams to effectively combine their drilling expertise with the benefits of this new technology.

“I have quite a set of guys who just love what they do and are amazing at drilling great wells. While they closely watch the parameters, they also have vast drilling knowledge, and that combination is why we’re drilling such fast wells,” said Daniel. Every morning Daniel sends drilling reports to his district field teams, who see every rig’s progress — a point that he says sparks competitiveness and pride every day.

The road ahead — Inside Chesapeake’s Operations Support Center, teams watch and evaluate real-time drilling progress overlaid on the model road map. Drilling Engineer Nathan Bland (standing) along with Engineering Analyst Jake Waddle.
It’s 2 a.m., and through an opening in the thick Louisiana forest you can see the Chesapeake drilling and completions teams out in full force, working side by side, a constant whir of pipe moving, trucks hauling and fluids pumping.

Drilling teams have always worked around the clock, but for completions teams it’s sometimes new territory. And Chesapeake’s Haynesville Shale completions team knows what it means to be efficient and be in line with the company’s goal to be a competitive low-cost provider in the area, providing maximum shareholder return.

Committed to generating the most value from their operations while maintaining production quality and safety, they implemented a 24-hour operations cycle and cut costs. Wells that cost $3.9 million to complete in Q3 2013 now come in closer to $2.8 million.

“With a goal of reducing cycle times and costs, and constant contact between the field and technical employees, we seized the opportunity to collectively find ways to improve the entire completions process,” said Patrick Finney, Manager – Completions, Barnett & Haynesville.

It began in October 2013, when teams mapped out each stage of the drilling, completions and production processes. They found ways to modify simultaneous operations (SIMOPS) and implemented 24-hour operations, leading to a 64% reduction in cycle times from Q4 2013 to Q1 2014 and savings of $100,000.

SIMOPS (temporarily shutting in one well to drill or complete another well on the same pad) halts production on the shut-in well. The team aimed to not shut in these wells while fracturing and in doing so they set the standard for improved and safe SIMOPS practices. Modifying SIMOPS practices also allowed teams to fracture wells while drilling other wells on the same pad, creating the “superpad.”

“We worked with several teams to optimize 24-hour operations and SIMOPS,” explained Carl Meyer, Completions Superintendent. “It was exciting to hear everyone’s ideas during those discussions and explore the ways we could significantly improve our operations.”

The process of cost leadership and elevating efficiency didn’t stop there.

“Everyone started looking at each stage of our operations differently, determined to identify ways to keep progressing,” said Finney.

They evaluated the amount of chemicals needed during stimulations and cut out unnecessary agents while maintaining high production performance, saving an additional $300,000 per well.

The efficiencies in the Haynesville have increased production and decreased downtime all without sacrificing the environment or safety of Chesapeake’s employees and contractors.

“We strive to protect our people and our environment while delivering our company goals. We work side by side, maintaining the focus of another workday in the oilfield,” said Finney.

And the Haynesville team continues to find ways to keep the environment and safety in the forefront while increasing efficiency and cutting costs.

“When we see results that maximize the return for our shareholders, we’re driven to generate more value from everything we do. We want to keep improving. It all comes down to teamwork — finding better ways to do things.”

Haynesville Team Proves

TIME IS MONEY

Wells that cost $3.9 million to complete in Q3 2013 now come in closer to $2.8 million.
Keeping momentum
Driving down costs and returning the best value meant looking at new concepts. One is the use of ball seat subs, eliminating the need for cleanouts or drilling out plugs. This comes at a cost savings of $200,000 per well and gets wells completed up to six days faster. This process shows that through basic engineering design, the team was able to generate huge savings.

Cutting cycle time
Another game-changer for the completions team has been the use of two coiled tubing units (CTUs) simultaneously on the same pad. On a four-well pad, two CTUs are rigged up, keeping rental costs the same as using one CTU at a time, but cutting cycle time in half. Instead of two days completion time per well spent on coiled tubing jobs, it’s now two days per two wells. Outside costs are the same, but the job is done twice as fast.
The sun is rising on Chesapeake’s Wyoming operations. Miles below the rolling hills of sagebrush and honey-colored cheatgrass, there is a complex geologic formation that Chesapeake is beginning to unlock, and after five years is reaping major results. The efficiencies seen in the oil-rich Powder River Basin are one of the company’s many success stories from 2014, going from $12 million in costs per well (spud to completion) down to nearly $9 million while increasing production.
Chesapeake entered the Powder River Basin in 2008. While the play looked promising initially, in 2012 the company was drilling subeconomic wells with marginal returns. In late 2013, with a new competitive capital allocation program — where operating areas within Chesapeake vie for capital — the competition was just too stiff as other areas were showing greater returns. Powder River Basin operations went from 11 rigs down to three, and the future of the play was uncertain.

“In the past, significantly cutting the rig count of an area would have led to low morale,” said Jim Govenlock, Vice President – Rockies Business Unit. “However, this team understood that slowing down gave them the opportunity to re-evaluate what was best for the play.”

Rockies Drilling Manager Darrel Overgaard agrees. “We were running very fast and in many directions. Although a busy district is a great opportunity, we knew slowing down would be an even greater opportunity to learn from the past, focus on the problems, implement changes and prove our value to the company,” he said. They did indeed.

In addition to bringing down the cost per well, spud-to-spud cycle times dropped from 45 days down to less than 30 days with longer laterals, contributing to average well costs decreasing by more than 30%.

These efficiencies began with Chesapeake’s transformation in 2013. The company moved to a business unit structure where geology, drilling, completions, production and engineering work together in one asset with a common goal of driving financial discipline and finding new growth opportunities. Across the company teams were starting to work smarter and more efficiently. And the Rockies team was no exception.

Every piece of the well life cycle was reviewed and evaluated, from design to pad layouts to production facility design; nothing was off limits. The Rockies team first went back to the geology to reimagine what this play could be.

Geologists had identified the best rock in the formation, but the target zone was naturally fractured, resulting in millions of dollars of mud losses and other drilling problems. The first major change came when geology and drilling worked to move the target window 15 – 30 feet above the original zone, the Niobrara.

“The Niobrara was the source rock we cracked first, and that petroleum system feeds the many stacked plays above it, which includes the Teapot, Parkman, Sussex, Shannon and others,” explained Rockies Geoscience Manager Ken Rechlin. “It’s a legacy basin, so we already know where the oil is. It’s just a matter of producing it economically.”

Adjusting the target not only reduced drilling days and costs, it also gave the teams the opportunity to test a revised well design. The drilling group was able to downsize their casing strings — multiple layers of heavy steel casing and cement that provide a protective barrier between production and the shallow formations — to a slim well design that saved nearly $500,000 per well without compromising wellbore integrity.

While these changes were great for the drilling engineers, it gave the completions team a few challenges. None they weren’t willing and ready to tackle.

“Not only did we go to a harder-to-treat rock, but we were also limited in the amount of pressure we could use. We have taken those challenges in stride and continue to work on the overall design,” explained Julian Carrillo, Rockies Completions Manager. “Communication between the teams has been huge in understanding each other’s needs, challenges and sometimes even sacrifices.”

The completions team continues to find creative ways to optimize their fracture design to place higher sand volumes at lower pressure. Even though the team was no longer exclusively targeting the highly fractured interval of the Niobrara, fracturing from directly above still provided access to the sweet spot of cost and production they needed to make it competitive for capital.

“The progression from novel idea to value-adding solution could not have occurred without a collaborative effort,” said Casey Miller, Rockies Supervisor – Planning and Logistics.

**COLLABORATION SOLIDIFIES A SECOND CHANCE**

The future is bright for the Powder River Basin. So bright that the company recently made a large capital investment through a deal with RKI Exploration and Production.

Since 2010, Chesapeake and RKI jointly owned and operated acreage in the Powder River Basin, splitting the area into northern and southern portions. While Chesapeake operated in the south and RKI operated in the north, each company had a working interest — a share of the revenue — in both portions.

While well costs have decreased by 25%, production is on the rise — the company expects to recover more than 2 billion barrels of oil in the region.
Chesapeake recently ended that arrangement, giving RKI its acreage and working interest in the north, along with $450 million. In exchange, Chesapeake received RKI’s acreage and working interest in the south, which more than doubles its current interest. The area includes the Niobrara and five additional formations, many of which are on track to produce more than 40% rates of return.

“This deal was a terrific endorsement to us up here and gave us confidence in our rate of return and our area as a whole,” said Wyoming resident and Production Superintendent Brandon VanderVoort. “We now know what it takes to deliver and be a key asset for the company, and that is very exciting.”

Employees in this asset are prepared and ready for increased activity. A focus on continuous improvement coupled with Chesapeake’s financial commitment to the Powder River Basin further cements Chesapeake’s place in Wyoming.

“2015 will be our year to demonstrate all we can do as an asset. It’s our time to execute and show that when all of the teams work together for a development, this is what can happen,” said Sheldon Burleson, Manager – Production, Rockies. Chesapeake now expects to recover more than 2 billion barrels of oil in the region.

**SUSTAINABLE INFRASTRUCTURE**

43% of Chesapeake’s current Powder River Basin production is oil, 40% is dry gas and 17% is natural gas liquids. The only current option for gas takeaway is through one gas processing plant in Douglas, Wyoming. While the facility does not have the capacity for all of Chesapeake’s production, the pressure will soon be alleviated. A new plant will give Chesapeake a capacity of 120 mmcf per day, more than three times its current takeaway capacity. The new infrastructure will provide for more takeaway than Chesapeake has ever had in the area, further fueling the Powder River Basin’s profitable and efficient growth.

A new gas processing plant will soon give Chesapeake more than 3x its current takeaway capacity.
GETTING AHEAD OF THE CURVE

Seismic data licensed from GP/GOK
Not long ago, a typical exchange between a Chesapeake geologist and geophysicist would go something like this:

Geologist: How deep is the Marcellus Shale?
Geophysicist: 0.791 seconds

While the geophysicist is correct, it doesn’t help the geologist, who refers to the depth in feet. The time, 0.791 seconds, is the time that it takes for a sound wave to travel from the surface down to the formation and back to the surface. But the rest of the industry talks in depth — measured in feet. The drilling team and geoscientists could see the Marcellus on seismic in time, but without accurate depth conversion along the horizontal part of the well, there was less certainty in placing the bit and planning the lateral.

To get everyone talking in the same language, Senior Geophysics Advisor Dan Shearer created an industry-changing 3-D depth conversion procedure for horizontal wells that reduces drilling times while increasing production from the Marcellus. But getting there wasn’t easy.

Prior to 2009, time-to-depth conversion along a horizontal well was an arduous and time-consuming process. Teams would drill down until they found the formation, sometimes sidetrack (where a second hole would have to be drilled to bypass a problem area in the first hole) and then drill the well where it belonged. Sometimes the drillers had to back up and try again multiple times. This was very expensive, requiring a great deal of manpower and time. While the first time-to-depth conversion application was developed in 2010, multiple sidetracks and other costly issues still remained.

By early 2011, Chesapeake was operating 24 rigs in northeastern Pennsylvania, part of the Marcellus North region. Geosteering was extremely difficult. The area was structurally complex with hundreds of faults, had rapid structural dip changes, large salt features and limited 3-D seismic data. Sudden and unanticipated structural changes slowed drilling and resulted in multiple sidetracks.

Shearer created an initial solution, but it involved complex calculations that required keeping track of every step and file name, taking a full day and night of intense concentration. If a simple typo in a file name or other mistake was made, he would have to start again. The procedure worked, but with 24 rigs operating at the time, it was inefficient and hard to manage.

Shearer worked with a seismic interpretation software company to develop an automated module that generates the conversion in just seven to 10 minutes. It was released to the market in 2012 and now takes only 30 seconds to convert time to depth for a 25-square-mile area around a single well. It has been extremely successful.

“The business unit has cut drilling time in half, with no geologic sidetracks since 2012. We now know what’s happening thousands of feet ahead of the bit,” said Shearer. “Chesapeake is changing the industry because of how we look at steering wells through shales. This is truly game-changing. It allows effective multidisciplinary collaboration in a common language — depth. With this software solution, we can, in minutes instead of hours, compute the localized depth conversion and very accurately predict the geology ahead of the bit.”

The margin of error has dropped from hundreds of feet to tens of feet, and rig line geologists now spend considerably less time geosteering their wells, while still placing the bit in the best rock. Chesapeake, along with the rest of the industry, now uses this method in several other operating areas.

“We’re able to drill more structurally complex horizontal wells faster and cheaper. We can map out the subsurface and plan much more effectively,” said Shearer.

“Dan saw a problem and elevated a solution,” said Northern Division Senior Vice President Chris Doyle. “That solution was so innovative that it immediately enhanced communication and drove significant improvement in targeting, ultimately having a direct impact on Chesapeake’s capital efficiency. This is a prime example of what we are encouraging our employees to do in line with our core values — pursuing continuous improvement and always seeking to deliver more than what is expected. And that is exactly what Dan did.”

SOFTWARE PROVIDES:

> Better predictive model
> More accurate predrill plans
> Ability to refine the model while drilling
> Greater percentage of wellbore in the zone

Below: Geophysicist Dan Shearer’s 3-D depth conversion procedure reduces drilling time while increasing production.
The play

Safety is personal to EHS Vice President Brittany Benko. In 2010 she worked in environment, health and safety (EHS) for BP; the same year as the Deepwater Horizon oil spill, the largest oil spill in U.S. history and one that claimed 11 lives.

“My most poignant moment after the spill was when we called off the search for our missing co-workers. In that moment we were admitting that 11 men had lost their lives. That’s why safety is so personal to me — you don’t get lives back,” she said.

Benko, a third-generation oil and gas industry veteran, spent a year working on BP’s spill response team, including meeting with Gulf Coast state leadership and community members directly impacted by the blowout and spill. This experience might have disillusioned most, but for Benko it helped shape her commitment to EHS.

“Because of the energy we discover and produce, people can enjoy a high quality of life,” said Benko. “I’m proud of what we do; but I am also acutely aware that we can impact people, the environment and the communities where we live. We can produce energy in a way that is respectful, and EHS is a part of how we do it.”

A scientist with undergraduate and graduate degrees in zoology, chemistry and biology, Benko’s career at BP spanned 12 years. As BP’s strategy shifted to more offshore activities, Benko turned her attention to Chesapeake as a leader in domestic onshore energy production.

“If you’re a safety and environmental person, onshore is the most interesting and challenging,” she said. “With onshore development you interact more with people and work to find mutually beneficial solutions that respect our owners, protect the environment and allow for responsible energy production.”

Benko has challenged her department to improve their technical skills and better understand Chesapeake’s operations by spending time outside of the company’s Oklahoma City headquarters. She often refers to her choice to train in the field as one of her best professional decisions.

“I can’t give good EHS advice until I understand our business, and our business happens out in the field,” she added. “By gaining more field knowledge, our EHS team members are becoming trusted advisors to our operations employees. This partnership will enable us to operate even more responsibly.”

Among Chesapeake’s core values, Benko relates most closely to respect and change leadership, as they directly impact continuous improvement throughout Chesapeake. She views EHS as having a key role in supporting the company’s production growth goals starting by decreasing incident rates and the number of spills.

One way the EHS team is working to reduce incidents is by instilling a safety culture at Chesapeake. In 2014 the company’s safety experts launched a yearlong campaign to raise awareness among employees about potential workplace hazards. From January through October 2014 the company reduced its total recordable incident rate by 29% compared to the same period in 2013.

“A safety culture means that everyone understands that every day they make decisions that impact the safety of themselves and their co-workers. It means that every day our employees are able to go home to their families because they have made safe decisions at work,” she explained. “We are committed to compliance, but what we’re really striving for is a culture. We want a belief system built on safety, responsibility and respect that centers us as a company.”

Benko’s optimism and professionalism serve as the foundation for the EHS team’s mission to keep employees safe and focus on Chesapeake’s environmental compliance.

“We have already seen a significant improvement in our incident rates, but we must do better. We can always be better,” Benko said. “When we honor our core value of respect, when we make responsible decisions and when we challenge ourselves to improve, we will be at the forefront of the country’s most influential industry.”
The New CHK.com

Visit chk.com today, recently redesigned to improve the experience for our stakeholders with easy-to-find content, including owner resources, investor information and overviews of each operating area. The site is also optimized for mobile devices, making it easy to navigate on any platform.

2013 Corporate Responsibility Report

Chesapeake’s commitment to becoming a partner of choice includes being transparent about our operations and clear in our business strategies. Our Corporate Responsibility Report highlights our 2013 activities and addresses issues important to us and our stakeholders, including corporate governance, environmental, health and safety and community and employee engagement. Read the report at chk.com/responsibility.

Focused on Financial Discipline

Chesapeake continued growing production while reducing capital expenditures and cash costs during the third quarter of 2014, further demonstrating its commitment to creating value for its stakeholders while building a sustainable, growth-oriented company.

ADDITIONAL PROGRESS INCLUDES:

- The sale of southern Marcellus and eastern Utica assets for $5 billion
- Two-notch upgrades this summer from Moody’s and S&P
- Removing $6 billion in leverage from its balance sheet in the last two years

For the sixth year in a row, thousands of employees made a difference in their communities this summer through Operation Blue, the company’s annual volunteer campaign.
Strong. Dedicated. Focused.

WE ARE CHESAPEAKE.

Integrity, trust and respect are the foundation for every decision we make. This year we have driven billions of dollars in value into our company — something that could only happen with a workforce of outstanding employees committed to continuous improvement, creating value for our stakeholders and building a business positioned for long-term growth. We are Chesapeake, and we are leading a responsible energy future.