

Diamond Y Enterprise INC
Form S-3ASR
May 19, 2008
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As filed with the Securities and Exchange Commission on May 19, 2008

Registration No. 333-

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

Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Chesapeake Energy Corporation*

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of
incorporation or organization)
6100 North Western Avenue

73-1395733
(I.R.S. Employer
Identification No.)
Jennifer M. Grigsby

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Oklahoma City, Oklahoma 73118

(405) 848-8000

(Address, including zip code,
and telephone number, including area code,
of registrant s principal executive offices)

Senior Vice President, Treasurer and

Corporate Secretary

6100 North Western Avenue

Oklahoma City, Oklahoma 73118

(405) 848-8000

(Name, address, including zip code,
and telephone number, including area code,
of agent for service)

Copy to:

Michael S. Telle

Bracewell & Giuliani LLP

711 Louisiana Street, Suite 2300

Houston, Texas 77002-2770

(713) 221-1327

(713) 221-2113 (fax)

Approximate date of commencement of proposed sale of the securities to the public: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. "

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

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If this Form is a post effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered/ proposed maximum offering price per security/proposed maximum aggregate offering price/amount of registration fee
Senior Notes	(1)
Guarantees of Senior Notes	(2)

- (1) This registration statement registers an unspecified amount of the identified class of securities. In accordance with Rules 456(b) and 457(r), the registrant is deferring payment of all of the registration fee.
- (2) Subsidiaries of Chesapeake Energy Corporation may fully and unconditionally guarantee on an unsecured basis the senior notes of Chesapeake Energy Corporation. In accordance with Rule 457(n), no separate fee is payable with respect to the guarantees of the senior notes being registered.
- * Includes certain subsidiaries of Chesapeake Energy Corporation identified below.

Arkansas Midstream Gas Services Corp.

(Exact name of registrant as specified in its charter)

Arkansas
 (State or other jurisdiction of
 incorporation or organization)

20-8306047
 (I.R.S. Employer

Identification Number)

Chesapeake Energy Louisiana Corporation

(Exact name of registrant as specified in its charter)

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Oklahoma
(State or other jurisdiction of
incorporation or organization)

73-1524569
(I.R.S. Employer
Identification Number)

Chesapeake Energy Marketing, Inc.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of
incorporation or organization)

73-1439175
(I.R.S. Employer
Identification Number)

Chesapeake Operating, Inc.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of
incorporation or organization)

73-1343196
(I.R.S. Employer
Identification Number)

Diamond Y Enterprise, Incorporated

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

26-0004174
(I.R.S. Employer
Identification Number)

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Gene D. Yost & Son, Inc.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of
incorporation or organization)

20-5550602
(I.R.S. Employer
Identification Number)

Bluestem Gas Services, L.L.C.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of
incorporation or organization)

20-0174765
(I.R.S. Employer
Identification Number)

Carmen Acquisition, L.L.C.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of
incorporation or organization)

73-1604860
(I.R.S. Employer
Identification Number)

Chesapeake Appalachia, L.L.C.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of

20-3774650
(I.R.S. Employer

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incorporation or organization)

Identification Number)

Chesapeake Exploration, L.L.C.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of

71-0934234
(I.R.S. Employer

incorporation or organization)

Identification Number)

Chesapeake Land Company, L.L.C.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of

20-2099392
(I.R.S. Employer

incorporation or organization)

Identification Number)

Chesapeake Royalty, L.L.C.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of

73-1549744
(I.R.S. Employer

incorporation or organization)

Identification Number)

CHK Holdings, L.L.C.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of

41-2050649
(I.R.S. Employer

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incorporation or organization)

Identification Number)

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Gothic Production, L.L.C.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of
incorporation or organization)

73-1539475
(I.R.S. Employer
Identification Number)

Hawg Hauling & Disposal, LLC

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

06-1706211
(I.R.S. Employer
Identification Number)

Hodges Trucking Company, L.L.C.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of
incorporation or organization)

73-1293811
(I.R.S. Employer
Identification Number)

MC Mineral Company, L.L.C.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of

61-1448831
(I.R.S. Employer

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incorporation or organization)

Identification Number)

MidCon Compression, L.L.C.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of

20-0299525
(I.R.S. Employer

incorporation or organization)

Identification Number)

Nomac Drilling, L.L.C.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of

73-1606317
(I.R.S. Employer

incorporation or organization)

Identification Number)

Texas Midstream Gas Services, L.L.C.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of

20-5093006
(I.R.S. Employer

incorporation or organization)

Identification Number)

Chesapeake Louisiana, L.P.

(Exact name of registrant as specified in its charter)

Oklahoma
(State or other jurisdiction of

73-1519126
(I.R.S. Employer

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incorporation or organization)

Identification Number)

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PROSPECTUS

Chesapeake Energy Corporation

Senior Notes

We may from time to time offer and sell senior notes. We may offer and sell the senior notes to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis.

Each time senior notes are sold, we will provide one or more supplements to this prospectus that will contain additional information about the specific offering and the terms of the senior notes being offered. The supplements may also add, update or change information contained in this prospectus. You should carefully read this prospectus and any accompanying prospectus supplement before you invest in any of our securities.

Our common stock is listed for trading on the New York Stock Exchange under the symbol **CHK**. Our executive offices are located at 6100 North Western Avenue, Oklahoma City, Oklahoma 73118, and our telephone number is (405) 848-8000.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is May 19, 2008

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You should rely only on the information contained or incorporated by reference in this prospectus and any prospectus supplement. We have not authorized any dealer, salesman or other person to provide you with additional or different information. This prospectus and any prospectus supplement are not an offer to sell or the solicitation of an offer to buy any securities other than the securities to which they relate and are not an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in that jurisdiction. You should not assume that the information in this prospectus or any prospectus supplement or in any document incorporated by reference in this prospectus or any prospectus supplement is accurate as of any date other than the date of the document containing the information.

You should read carefully the entire prospectus, as well as the documents incorporated by reference in the prospectus and the applicable prospectus supplement, before making an investment decision.

Unless the context requires otherwise or unless otherwise noted, all references in this prospectus or any accompanying prospectus supplement to Chesapeake, we, or our are to Chesapeake Energy Corporation and its subsidiaries.

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FORWARD LOOKING STATEMENTS

This prospectus contains or incorporates by reference forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward looking statements give our current expectations or forecasts of future events. They include statements regarding natural gas and oil reserve estimates, planned capital expenditures, the drilling of natural gas and oil wells and future acquisitions, expected natural gas and oil production, cash flow and anticipated liquidity, business strategy and other plans and objectives for future operations and expected future expenses. Statements concerning the fair values of derivative contracts and their estimated contribution to our future results of operations are based upon market information as of a specific date. These market prices are subject to significant volatility.

Although we believe the expectations and forecasts reflected in these and other forward looking statements are reasonable, we can give no assurance they will prove to have been correct. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Factors that could cause actual results to differ materially from expected results are described under Risk Factors in the accompanying prospectus supplement and in the information incorporated by reference in this prospectus and include:

the volatility of natural gas and oil prices;

our level of indebtedness;

the strength and financial resources of our competitors;

the availability of capital on an economic basis to fund our drilling program;

our ability to replace reserves and sustain production;

uncertainties inherent in estimating quantities of natural gas and oil reserves, projecting future rates of production and the timing of development expenditures;

uncertainties in evaluating natural gas and oil reserves of acquired properties and associated potential liabilities;

unsuccessful exploration and development drilling;

declines in the values of our natural gas and oil properties resulting in ceiling test write downs;

lower prices realized on natural gas and oil sales and collateral required to secure hedging liabilities resulting from our commodities price risk management activities;

the negative effect lower natural gas and oil prices could have on our ability to borrow;

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drilling and operating risks;

adverse effects of governmental and environmental regulation;

losses possible from pending or future litigation; and

interruption of a portion of our natural gas and oil production.

We caution you not to place undue reliance on these forward looking statements, which speak only as of the date of this prospectus, and we undertake no obligation to update this information. We urge you to carefully review and consider the disclosures made in this prospectus and our reports filed with the SEC and incorporated by reference herein that attempt to advise interested parties of the risks and factors that may affect our business.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the SEC). You may inspect and copy such material at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information on the public reference room. You can also find our SEC filings at the SEC's website at www.sec.gov and through the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005, where our common stock is listed.

We have filed with the SEC a registration statement on Form S-3 relating to the securities covered by this prospectus. This prospectus is a part of the registration statement and does not contain all the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document, the reference is only a summary and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may view a copy of the registration statement at the SEC's public reference room in Washington, D.C. as well as through the SEC's website.

The following documents filed with the SEC pursuant to the Exchange Act of 1934, as amended (the Exchange Act), are incorporated herein by reference:

our Annual Report on Form 10-K for the year ended December 31, 2007, including information specifically incorporated by reference into our Form 10-K from our Proxy Statement for our Annual Meeting of Stockholders to be held on June 6, 2008;

our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008; and

our Current Reports on Form 8-K filed on January 4, 2008, January 24, 2008, March 20, 2008, March 26, 2008, April 1, 2008, April 16, 2008, April 18, 2008 and May 12, 2008 (excluding any information furnished pursuant to Item 2.02 or Item 7.01 of any such Current Report on Form 8-K).

All documents filed by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any current report on Form 8-K) subsequent to the date of this filing and prior to the termination of this offering shall be deemed to be incorporated in this prospectus and to be a part hereof from the date of the filing of such document. Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for all purposes to the extent that a statement contained in this prospectus, or in any other subsequently filed document which is also incorporated or deemed to be incorporated by reference, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide without charge to each person to whom this prospectus is delivered, upon written or oral request of such person, a copy of any or all documents incorporated by reference in this prospectus. Requests for such copies should be directed to Jennifer M. Grigsby, Corporate Secretary, Chesapeake Energy Corporation, 6100 North Western Avenue, Oklahoma City, Oklahoma 73118, by mail, or if by telephone at (405) 848-8000.

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We will use the net proceeds from sales of senior notes as set forth in the applicable prospectus supplement.

RATIO OF EARNINGS TO FIXED CHARGES

	Three Months	Year Ended December 31,				
	Ended March 31, 2008	2007	2006	2005	2004	2003
Ratio of earnings to fixed charges (1)	(0.5)x	4.2x	7.3x	5.6x	4.8x	4.0x
Ratio of earnings to fixed charges and preference dividends (1)	(0.4)x	3.4x	5.6x	4.6x	3.7x	3.3x

- (1) For purposes of determining the ratios of earnings to fixed charges and earnings to fixed charges and preference dividends, earnings are defined as net income before income taxes, cumulative effect of accounting changes, pretax gain or loss of equity investees, amortization of capitalized interest and fixed charges, less capitalized interest. Fixed charges consist of interest (whether expensed or capitalized and excluding the effect of unrealized gains or losses on interest rate derivatives), and amortization of debt expenses and discount or premium relating to any indebtedness. Preference dividends consist of preferred stock dividends grossed up to reflect the pre-tax amount. Earnings for the three months ended March 31, 2008 were insufficient to cover fixed charges by \$274 million due to unrealized losses of \$1.132 billion associated with mark-to-market changes in the value of outstanding hedging contracts accounted for under SFAS No. 133.

DESCRIPTION OF CHESAPEAKE SENIOR NOTES

A description of the senior notes will be set forth in the applicable prospectus supplement.

LEGAL MATTERS

In connection with particular offerings of the senior notes in the future, and if stated in the applicable prospectus supplements, the validity of the issuance of the senior notes and certain other legal matters will be passed upon for us by Bracewell & Giuliani LLP, Houston, Texas. Legal counsel to any underwriters may pass upon legal matters for such underwriters.

EXPERTS

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2007 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Estimates of the natural gas and oil reserves of Chesapeake Energy Corporation and related future net cash flows and the present values thereof, included in Chesapeake's Annual Report on Form 10-K for the year ended December 31, 2007, were based in part upon reserve reports prepared by Netherland, Sewell & Associates, Inc., Schlumberger Data and Consulting Services, Lee Keeling and Associates, Inc., Ryder Scott Company, L.P. and LaRoche Petroleum Consultants, Ltd., independent petroleum engineers. We have incorporated these estimates in reliance on the authority of each such firm as experts in such matters.

Table of Contents**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****Item 14. Other Expenses of Issuance and Distribution**

The following table sets forth all expenses payable by Chesapeake Energy Corporation (sometimes referred to as the Company in this Part II of the registration statement) in connection with the issuance and distribution of the securities. All the amounts shown are estimates, except the registration fee.

Securities and Exchange Commission registration fee	\$ *
Fees and expenses of accountants	50,000
Fees and expenses of legal counsel	50,000
Printing fees	25,000
Miscellaneous	
 Total	 \$ 125,000

* Under SEC Rule 456(b) and 457(r), the SEC registration fee will be paid at the time of any particular offering of securities under the registration statement, and is therefore not currently determinable.

Item 15. Indemnification of Directors and Officers.

Section 1031 of the Oklahoma General Corporation Act, under which Chesapeake is incorporated, authorizes the indemnification of directors and officers under certain circumstances. Article VIII of the Certificate of Incorporation of Chesapeake and Article VI of the Bylaws of Chesapeake also provide for indemnification of directors and officers under certain circumstances. These provisions, together with Chesapeake's indemnification obligations under individual indemnity agreements with its directors and officers, may be sufficiently broad to indemnify such persons for liabilities under the Securities Act of 1933, as amended (the Securities Act). In addition, Chesapeake maintains insurance, which insures its directors and officers against certain liabilities.

The Oklahoma General Corporation Act provides for indemnification of each of Chesapeake's officers and directors against (a) expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by them in connection with any action, suit or proceeding brought by reason of such person being or having been a director, officer, employee or agent of Chesapeake, or of any other corporation, partnership, joint venture, trust or other enterprise at the request of Chesapeake, other than an action by or in the right of Chesapeake. To be entitled to indemnification, the individual must have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of Chesapeake, and with respect to any criminal action, the person seeking indemnification had no reasonable cause to believe that the conduct was unlawful and (b) expenses, including attorneys' fees, actually and reasonably incurred in connection with the defense or settlement of any action or suit by or in the right of Chesapeake brought by reason of the person seeking indemnification being or having been a director, officer, employee or agent of Chesapeake, or any other corporation, partnership, joint venture, trust or other enterprise at the request of Chesapeake, provided the actions were in good faith and were reasonably believed to be in or not opposed to the best interest of Chesapeake, except that no indemnification shall be made in respect of any claim, issue or matter as to which the individual shall have been adjudged liable to Chesapeake, unless and only to the extent that the court in which such action was decided has determined that the person is fairly and reasonably entitled to indemnity for such expenses which the court deems proper. Article VIII of Chesapeake's Certificate of Incorporation provides for indemnification of Chesapeake's directors and officers. The Oklahoma General Corporation Act also permits Chesapeake to purchase and maintain insurance on behalf of Chesapeake's directors and officers against any liability arising out of their status as such, whether or not Chesapeake would have the power to indemnify them against such liability. These provisions may be sufficiently broad to indemnify such persons for liabilities arising under the Securities Act.

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Chesapeake has entered into indemnity agreements with each of its directors and executive officers. Under each indemnity agreement, Chesapeake will pay on behalf of the indemnitee any amount which he is or becomes legally obligated to pay because of (a) any claim or claims from time to time threatened or made against him by any person because of any act or omission or neglect or breach of duty, including any actual or alleged error or misstatement or misleading statement, which he commits or suffers while acting in his capacity as a director and/or officer of Chesapeake or an affiliate or (b) being a party, or being threatened to be made a party, to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was an officer, director, employee or agent of Chesapeake or an affiliate or is or was serving at the request of Chesapeake as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. The payments which Chesapeake would be obligated to make under an indemnification agreement could include damages, charges, judgments, fines, penalties, settlements and costs, cost of investigation and cost of defense of legal, equitable or criminal actions, claims or proceedings and appeals therefrom, and costs of attachment, supersedeas, bail, surety or other bonds. Chesapeake also provides liability insurance for each of its directors and executive officers.

Item 16. Exhibits.

The following documents are filed as exhibits to this registration statement:

- 1.1* Form of Underwriting Agreement.
- 4.1** Form of Senior Notes Indenture.
- 4.2** Form of Senior Note (included as Exhibit 1 to the Appendix to the Form of Senior Notes Indenture field as Exhibit 4.1).
- 5.1** Opinion of Bracewell & Giuliani LLP regarding the validity of the securities being registered.
- 12.1 Ratios of Earnings to Fixed Charges and Preferred Dividends (incorporated herein by reference to Exhibit 12 to Chesapeake's annual report on Form 10-K for the fiscal year ended December 31, 2007).
- 12.2 Computation of Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividends (incorporated herein by reference to Exhibit 12 to Chesapeake's quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2008).
- 23.1** Consent of PricewaterhouseCoopers LLP
- 23.2** Consent of Netherland, Sewell & Associates, Inc.
- 23.3** Consent of Schlumberger Data and Consulting Services
- 23.4** Consent of Lee Keeling and Associates, Inc.
- 23.5** Consent of Ryder Scott Company L.P.
- 23.6** Consent of LaRoche Petroleum Consultants, Ltd.
- 23.7** Consent of Bracewell & Giuliani LLP (contained in Exhibit 5.1).
- 24.1** Powers of Attorney (contained on signature pages).
- 25.1** Form T-1 Statement of Eligibility and Qualification respecting the Senior Notes Indenture.

* To be filed as an exhibit to a current report on Form 8-K of the registrant.

** Filed herewith.

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Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of a prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by a Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. *Provided, however,* that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such

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effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for purposes of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) That portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oklahoma City, State of Oklahoma, on this 19th day of May, 2008.

CHESAPEAKE ENERGY CORPORATION

By: /s/ **AUBREY K. McCLENDON**
Aubrey K. McClendon

Chairman of the Board and Chief Executive Officer

KNOW ALL MEN BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Aubrey K. McClendon and Marcus C. Rowland, and each of them, either one of whom may act without joinder of the other, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all pre- and post-effective amendments to this Registration Statement (including any Registration Statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act of 1933), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or the substitute or substitutes of any or all of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons, in the capacities and on the date indicated.

/s/ AUBREY K. McCLENDON	Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	May 19, 2008
Aubrey K. McClendon		
/s/ MARCUS C. ROWLAND	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	May 19, 2008
Marcus C. Rowland		
/s/ MICHAEL A. JOHNSON	Senior Vice President Accounting, Controller and Chief Accounting Officer (Principal Accounting Officer)	May 19, 2008
Michael A. Johnson		
/s/ RICHARD K. DAVIDSON	Director	May 19, 2008
Richard K. Davidson		
/s/ FRANK A. KEATING	Director	May 19, 2008

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Frank A. Keating

/s/ BREENE M. KERR Director May 19, 2008

Breene M. Kerr

/s/ CHARLES T. MAXWELL Director May 19, 2008

Charles T. Maxwell

JPMorgan
Chase &
Company

774,303 1,718,192

Natural Gas
Transmission (3.81%)

39,000

Energy Transfer
Partners LP 2,014,654 2,138,370

20,000

Enterprise Products
Partners LP 374,214 872,000

2,388,868 3,010,370

Paints, Varnishes, Lacquers, Enamels & Allied
Products (1.12%)

10,000

PPG Industries, Inc. 657,378 883,800

Perfumes, Cosmetics & Other Toilet
Preparations (1.76%)

50,000

Avon Products, Inc. 1,596,424 1,390,500

Petroleum Refining
(2.16%)

20,000

Exxon Mobil Corp. 1,337,943 1,710,600

Pharmaceutical
Preparations (6.39%)

30,000

Abbott Laboratories 1,522,047 1,443,000

55,000

Bristol-Myers Squibb
Company 1,241,872 1,419,550

20,000

Merck & Company,
Inc. 680,994 651,400

80,000

Pfizer, Inc. 1,211,079 1,539,200

4,655,992 5,053,150

Plastic Materials, Resins &
Nonvulcanelastomers (2.33%)

20,000

E.I. du Pont de
Nemours & Company 751,716 1,097,400

20,000

Dow Chemical Co. 580,754 743,200

1,332,470 1,840,600

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	Radio & TV Communications Equipment (0.75%)		
10,000	QUALCOMM, Inc.	383,189	595,800
	Radio Telephone Communications (0.73%)		
20,000	Vodafone Group PLC ADR	453,234	572,400
	Real Estate Investment Trusts (2.82%)		
53,400	Annaly Capital Management, Inc.	922,335	957,462
150,000	MFA Financial, Inc.	1,201,341	1,270,500
		2,123,676	2,227,962
	Refuse Systems (0.70%)		
15,000	Waste Management, Inc.	532,822	555,900
	Retail-Variety Stores (1.06%)		
16,000	Target Corp.	660,150	840,800
	Retail-Women's Clothing Stores (2.19%)		
54,000	Limited Brands, Inc.	475,950	1,729,080
	Savings Institution, Federally Chartered (1.00%)		
60,000	People's United Financial, Inc.	826,108	790,800
	Security & Commodity Brokers, Dealers, Exchanges & Services (0.70%)		
15,000	NYSE Euronext	372,671	555,000
	Semiconductors & Related Devices (2.72%)		
40,000	Intel Corp.	796,500	858,800
35,000	Microchip Technology, Inc.	998,143	1,291,850
		1,794,643	2,150,650
	Services-Engineering, Accounting, Research, Management (0.43%)		

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10,000	Paychex, Inc.	309,491	336,300
	Services-Prepackaged Software (1.01%)		
30,000	Microsoft Corp.	900,672	797,400
	Surgical & Medical Instruments & Apparatus (2.33%)		
20,000	3M Company	1,133,436	1,844,600
	Telephone Communications (No Radiotelephone) (4.75%)		
45,000	AT&T, Inc.	1,672,513	1,277,100
140,000	Frontier Communications Corp.	1,920,849	1,188,600
35,000	Verizon Communications, Inc.	1,206,032	1,292,200
		4,799,394	3,757,900
	Water Transportation (0.47%)		
15,000	Nordic American Tanker Shipping Ltd.	448,114	367,350
	Total common stocks	45,361,026	54,906,392
	Exchange Traded Fund (2.18%)		
65,000	SPDR KBW Bank	871,731	1,722,500
	Preferred Stock (0.03%)		
	Financial (0.03%)		
80,000	Solar Cayman Ltd. (a)(b)(c)	604,763	26,400
Principal Amount			
	Corporate Bonds and Notes (45.14%)		
	Accident & Health Insurance (0.68%)		
500,000	CNO Financial Group, Inc. 9%, 1/15/18	507,355	535,000
	Basic Industry (1.35%)		
1,000,000	WireCo WorldGroup, 9.50%, 5/15/17 (b)	976,994	1,067,500

	Cable & Other Pay Television Services (1.64%)		
500,000	CCO Holdings LLC, 7%, 1/15/19	499,568	511,250
750,000	Mediacom Broadband LLC, 8.50%, 10/15/15	758,491	783,750
		1,258,059	1,295,000
	Cable Television (1.34%)		
1,000,000	Cequel Communications Holdings I LLC and Cequel Capital Corp., 8.625%, 11/15/17 (b)	1,012,261	1,062,500
	Cogeneration Services & Small Power Producers (0.60%)		
450,000	Covanta Holding Corp., 7.25%, 12/1/20	458,094	474,868
	Communications Services, NEC (1.33%)		
1,000,000	Hughes Network Systems LLC, 9.50%, 4/15/14	1,012,289	1,048,750
	Concrete Products, Except Block & Brick (1.12%)		
750,000	Headwaters, Inc., 11.375%, 11/1/14	767,964	885,000
	Converted Paper & Paperboard Prods (No Containers/Boxes) (1.32%)		
1,000,000	Appleton Papers, Inc., 10.50%, 6/15/15 (b)	996,126	1,040,000
	Crude Petroleum & Natural Gas (0.34%)		
250,000	Plains Exploration & Productions Company, 7.625%, 6/1/18	250,706	268,438
	Drawing & Insulating of Nonferrous Wire (0.64%)		
500,000	Belden, Inc., 7%, 3/15/17	481,731	510,000

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	Drilling Oil & Gas Wells (0.71%)		
	Offshore Group Investments Ltd., 11.50%, 8/1/15 (b)	501,059	562,500
500,000			
	Electric Services (1.61%)		
	Edison Mission Energy, 7.00%, 5/15/17	650,905	531,375
650,000			
	Elwood Energy LLC, 8.159%, 7/5/26	789,817	744,657
745,589		1,440,722	1,276,032
	Fats & Oils (0.69%)		
	Darling International Inc., 8.50%, 12/15/18	520,721	541,875
500,000			
	Gaming (0.51%)		
	Yonkers Racing Corp., 11.375%, 7/15/16 (b)	358,646	405,900
360,000			
	Hospital & Medical Service Plans (0.32%)		
	Health Net, Inc., 6.375%, 6/1/17	234,388	256,250
250,000			
	Hotels & Motels (0.83%)		
	MTR Gaming Group, Inc., 9%, 6/1/12	702,046	652,750
700,000			
	Ice Cream & Frozen Desserts (0.66%)		
	Dean Foods Company, 9.75%, 12/15/18	505,378	521,250
500,000			
	Machinery (0.82%)		
	Cleaver-Brooks, Inc., 12.25%, 5/1/16 (b)	603,579	648,000
600,000			
	Machine Tools, Metal Cutting Types (0.57%)		
	Thermadyne Holdings Corp., 9%, 12/15/17 (b)	427,813	451,031
425,000			
	Metals & Mining (0.42%)		
	Atkore International Inc., 9.875%, 1/1/18	306,319	328,125
300,000			

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	Metal Forgings & Stampings (0.24%)		
170,000	Trimas Corp., 9.75%, 12/15/17 (b)	166,874	189,550
	Miscellaneous Business Credit Institution (0.69%)		
500,000	PHH Corp., 9.25%, 3/1/16 (b)	507,059	545,000
	Miscellaneous Electrical Machinery, Equipment & Supplies (0.42%)		
55,000	Exide Technologies, 8.625%, 2/1/18	55,000	58,919
240,000	Spectrum Brands Holdings, Inc., 9.50%, 6/15/18 (b)	245,106 300,106	270,000 328,919
	Mortgage Banks (0.70%)		
500,000	Provident Funding Associates, 10.25%, 4/15/17 (b)	500,000	555,000
	Motor Vehicle Parts & Accessories (0.68%)		
480,000	Tower Automotive Holdings USA LLC, 10.625%, 9/1/17 (b)	486,635	540,000
	Natural Gas Transmission (2.41%)		
435,000	Copano Energy LLC, 8.125%, 3/1/16	442,394	455,119
500,000	Energy Transfer Equity LP, 7.50%, 10/15/20	514,728	544,375
500,000	Niska Gas Storage US LLC, 8.875%, 3/15/18 (b)	511,285	547,500
350,000	Southern Star Central Corp., 6.75%, 3/1/16	322,920	358,750
		1,791,327	1,905,744
	Oil & Gas Equipment & Services (1.05%)		
780,000	Complete Production Services, Inc., 8%, 12/15/16	791,692	828,750

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	Oil & Gas Field Exploration Services (0.67%)		
500,000	CGG-Veritas, 7.75%, 5/15/17	511,927	531,250
	Paper Mills (1.07%)		
750,000	ABI Escrow Corp., 10.25%, 10/15/18 (b)	756,899	843,750
	Papers & Allied Products (0.66%)		
500,000	Cascades, Inc., 7.75%, 12/15/17	490,622	525,625
	Paper & Forest Products (0.37%)		
250,000	PE Paper Escrow, 12%, 8/1/14 (b)	240,746	289,161
	Personal Credit Institutions (1.01%)		
740,000	Credit Acceptance Corp., 9.125%, 2/1/17 (b)	760,059	801,050
	Petroleum Refining (0.66%)		
272,000	Coffeyville Resources LLC, 9%, 4/1/15 (b)	275,997	297,840
200,000	Coffeyville Resources LLC, 10.875%, 4/1/17 (b)	199,242	227,500
		475,239	525,340
	Pharmaceutical Preparations (1.32%)		
1,000,000	Patheon, Inc., 8.625%, 4/15/17 (b)	1,025,212	1,045,000
	Radio Broadcasting Stations (0.20%)		
150,000	Citadel Broadcasting Corp., 7.75%, 12/15/18	152,923	161,625
	Radio & TV Broadcasting & Communications Equipment (0.66%)		
500,000	CommScope, Inc., 8.25%, 1/15/19	511,448	521,250
	Retail-Convenience Stores (0.69%)		

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500,000	Susser Holdings LLC, 8.50%, 5/15/16	508,004	545,625
	Retail-Miscellaneous Retail (0.31%)		
250,000	Ferrellgas Partners, L.P., 6.50%, 5/1/21	245,038	245,000
	Rolling Drawing & Extruding of Nonferrous Metals (0.70%)		
500,000	Novelis, Inc., 8.375%, 12/15/17	506,276	553,750
	Security Brokers, Dealers & Flotation Companies (0.97%)		
750,000	Penson Worldwide, Inc., 12.50%, 5/15/17 (b)	759,031	770,625
	Semiconductors & Related Devices (0.33%)		
250,000	Advanced Micro Devices, 7.75%, 8/1/20	258,686	262,500
	Services-Business Services, NEC (0.68%)		
500,000	DynCorp International, Inc. 10.375%, 7/1/07 (b)	502,054	540,000
	Services-Computer Integrated Systems Design (0.56%)		
400,000	Scientific Games International, Inc., 9.25%, 6/15/19	431,681	441,000
	Services-Equipment Rental & Leasing, NEC (0.71%)		
500,000	Aircastle Ltd., 9.75%, 8/1/18	503,274	560,000
	Services-Miscellaneous Amusement & Recreation (1.04%)		
750,000	Cedar Fair LP, 9.125%, 8/1/18 (b)	754,015	821,250
	Services-Miscellaneous Equipment Rental & Leasing (0.89%)		
675,000		681,253	703,687

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	H&E Equipment Services, Inc., 8.375%, 7/15/16		
	Services-Miscellaneous Repair Services (0.67%)		
500,000	Aquilex Holdings LLC, 11.125%, 12/15/16	495,869	528,750
	Services-Motion Picture Theaters (0.13%)		
95,000	Regal Entertainment Group, 9.125%, 8/15/18	96,243	102,125
	Steel Works, Blast Furnaces & Rolling & Finishing Mills (1.09%)		
840,000	Gibraltar Industries, Inc., 8%, 12/1/15	840,891	864,150
	Telephone Communications (No Radiotelephone) (1.91%)		
500,000	Equinix, Inc., 8.125%, 3/1/18	510,109	545,000
1,000,000	Cincinnati Bell, Inc., 8.75%, 3/15/18	1,009,316	963,750
		1,519,425	1,508,750
	Textiles, Apparel & Luxury Goods (0.07%)		
50,000	Empire Today LLC, 11.375%, 2/1/17	49,464	52,500
	Transportation (0.54%)		
400,000	Marquette Transportation Company, 10.875%, 1/15/17 (b)	401,705	426,000
	Utilities (0.57%)		
400,000	North American Energy Alliance LLC, 10.875%, 6/1/16 (b)	409,834	454,000
	Water Transportation (2.17%)		
900,000	Hornbeck Offshore Services, Inc., 8%, 9/1/17	907,481	928,125
750,000		736,213	788,437

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	American Petroleum Tankers LLC, 10.25%, 5/1/15 (b)	1,643,694	1,716,562
	Wholesale-Electronic Parts & Equipment, NEC (0.41%)		
300,000	Brightstar Corp., 9.50%, 12/1/16 (b)	300,000	322,500
	Wholesale-Petroleum & Petroleum Products (No Bulk Stations) (0.39%)		
275,000	Crosstex Energy LP, 8.875%, 2/15/18	275,639	304,562
	Total corporate bonds and notes	33,973,094	35,691,119
Shares	MONEY MARKET FUND (7.56%)		
5,976,798	Wells Fargo Advantage Cash Investment Money Market Fund, 7 day annualized yield 0.01%	5,976,798	5,976,798
	Total investments (124.36%)	\$86,787,412	98,323,209
	Liabilities in excess of other assets (-24.36%) (d)		(19,256,942)
	Net assets (100.00%)		\$79,066,267

- (a) Non-income producing.
- (b) These securities are exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.
- (c) Illiquid and/or restricted security that has been fair valued.
- (d) The Fund had \$20 million in borrowings outstanding pursuant to a \$25 million line of credit with a bank. Borrowings under the line of credit are secured by a perfected security interest on all of the Fund's assets.

ADR American Depositary Receipt
 LLC Limited Liability Company
 LP Limited Partnership
 PLC Public Limited Company
 SPDR Standard & Poor's Depository Receipt

SPV Special Purpose Vehicle

Notes to Schedule of Portfolio Investments (Unaudited)

Security Valuation

Portfolio securities are valued by various methods depending on the primary market or exchange on which they trade. Most equity securities for which the primary markets is the United States are valued at the official closing price, last sale price or, if no sale has occurred, at the closing bid price. Most equity securities for which the primary market is outside the United States are valued using the official closing price or the last sale price in the principal market in which they are traded. If the last sale price (on the local exchange) is unavailable, the last evaluated quote or closing bid price normally is used. Certain of the securities in which the Fund invests are priced through pricing services that may utilize a matrix pricing system which takes into consideration factors such as yields, prices, maturities, call features, and ratings on comparable securities. Corporate bonds and notes may be valued according to prices quoted by a bond dealer that offers pricing services. Open end investment companies are valued at their net asset value. Securities for which quotations are not readily available or reliable and other assets may be valued as determined in good faith by the Investment Manager under the direction of or pursuant to procedures established by the Fund’s Board of Directors. Due to the inherent uncertainty of valuation, these values may differ from the value that would have been used had a readily available market for the securities existed. These differences in valuation could be material. A security’s valuation may differ depending on the method used for determining value. The use of fair value pricing by the Fund may cause the net asset value of its shares to differ from the net asset value that would be calculated using market prices.

Fair Value Measurements

The Fund uses a three level hierarchy for fair value measurements based on the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect a Fund’s own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. The Fund’s investment in its entirety is assigned a level based upon the inputs which are significant to the overall valuation. The inputs or methodology used for valuing investments are not an indication of the risk associated with investing in those securities.

The hierarchy of inputs is summarized below.

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities including securities actively traded on a securities exchange.
- Level 2 - observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability which may include quoted prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.
- Level 3 - unobservable inputs for the asset or liability including the Fund’s own assumptions about the assumptions a market participant would use in valuing the asset or liability.

The following is a summary of the inputs used as of February 28, 2011 in valuing the Fund’s assets carried at fair value. Refer to the Schedule of Portfolio Investments for detailed information on specific investments.

	Level 1	Level 2	Level 3	Total
Assets				

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Common stocks	\$54,639,229	\$-	\$267,163	\$54,906,392
Exchange traded fund	1,722,500	-	-	1,722,500
Preferred stock	-	-	26,400	26,400
Corporate bonds and notes	-	35,691,119	-	35,691,119
Money market fund	5,976,798	-	-	5,976,798
Total investments	\$62,338,527	\$35,691,119	\$293,563	\$98,323,209

There were no transfers between Level 1 and Level 2 during the three months ended February 28, 2011.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value:

	Common Stocks	Preferred Stocks	Corporate Bonds and Notes	Total
Balance, November 30, 2010	\$200,256	\$26,400	\$950,000	\$1,176,656
				-
Proceeds from sales	-	-	(960,000)	(960,000)
Realized loss	-	-	(40,000)	(40,000)
Change in unrealized depreciation	66,907	-	50,000	116,907
Transfers in or out Level 3	-	-	-	-
Balance, February 28, 2011	\$267,163	\$26,400	\$-	\$293,563

Illiquid and Restricted Securities

The Fund owns securities which have a limited trading market and/or certain restrictions on trading and, therefore, may be illiquid and/or restricted. Such securities have been valued at fair value in accordance with the procedures described above. Due to the inherent uncertainty of valuation, these values may differ from the values that would have been used had a readily available market for the securities existed. These differences in valuation could be material. Illiquid and/or restricted securities owned at February 28, 2011, were as follows:

	Acquisition Date	Cost	Value
Solar Cayman Ltd.	3/7/07	\$604,763	\$26,400
Star Asia Financial Ltd.	2/22/07	686,145	249,313
Star Asia SPV, LLC	2/22/07	84,805	17,850
		\$1,375,713	\$293,563
Percent of net assets		1.74	% 0.37 %

Cost for Federal Income Tax Purposes

At February 28, 2011, for federal income tax purposes the aggregate cost of securities was \$86,787,412 and net unrealized depreciation was \$11,535,797, comprised of gross unrealized appreciation of \$14,539,108 and gross unrealized depreciation of \$3,003,311.

Item 2. Controls and Procedures

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as

amended (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934.

(b) The registrant's principal executive officer and principal financial officer are not aware of any changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits

(a) Certifications of the registrant's principal executive officer and principal financial officer as required by Rule 30a-2(a) under the 1940 Act.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934 and the 1940 Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dividend and Income Fund, Inc.

By: /s/Thomas B. Winmill
Thomas B. Winmill, President

Date: April 29, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934 and the 1940 Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/Thomas B. Winmill
Thomas B. Winmill, President

Date: April 29, 2011

By: /s/Thomas O'Malley
Thomas O'Malley, Chief Financial Officer

Date: April 29, 2011

Exhibit Index

(a) Certifications of the registrant's principal executive and principal financial officer as required by Rule 30a-2(a) under the 1940 Act. (EX-99.CERT)