

KERLEY GREGORY D
 Form 4
 December 14, 2009

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 KERLEY GREGORY D

2. Issuer Name and Ticker or Trading Symbol
 SOUTHWESTERN ENERGY CO
 [SWN]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 ___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Executive Vice President & CFO

(Last) (First) (Middle)
 SUITE 125, 2350 N. SAM
 HOUSTON PARKWAY EAST
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/10/2009

HOUSTON, TX 77032

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount or Price | | |
| Common Stock | 12/10/2009 | | M | | 5,635 A \$ 17.745 | 1,130,071 | D |
| Common Stock | 12/10/2009 ⁽¹⁾ | | A | | 11,110 A \$ 0 | 1,141,181 | D |
| Common Stock | 12/14/2009 | | J ⁽²⁾ | | 188.9834 A \$ 34.4719 | 25,183.2622 | I |

By
 401(k)
 Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not

SEC 1474
 (9-02)

required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--------|--|-----------------|---|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | |
| Stock Options (Right to Buy) | \$ 17.745 | 12/10/2009 | | M | | 5,635 | 12/08/2006 | 12/08/2012 | Common Stock |
| Stock Options (Right to Buy) | \$ 40.73 | 12/10/2009 ⁽¹⁾ | | A | | 21,870 | 12/10/2010 ⁽³⁾ | 12/10/2016 | Common Stock |
| Stock Options (Right to Buy) | \$ 0.93 | | | | | | 12/14/2001 | 12/14/2010 | Common Stock |
| Stock Options (Right to Buy) | \$ 1.435 | | | | | | 12/11/2003 | 12/11/2012 | Common Stock |
| Stock Options (Right to Buy) | \$ 2.645 | | | | | | 12/10/2004 | 12/10/2013 | Common Stock |
| Stock Options (Right to Buy) | \$ 6.225 | | | | | | 12/09/2005 | 12/09/2011 | Common Stock |
| Stock Options (Right to Buy) | \$ 20.335 | | | | | | 12/11/2007 | 12/11/2013 | Common Stock |
| Stock Options (Right to Buy) | \$ 27.18 | | | | | | 12/13/2008 | 12/13/2014 | Common Stock |

| | | | | |
|------------------------------|----------|------------|------------|-----------------|
| Stock Options (Right to Buy) | \$ 30.68 | 12/11/2009 | 12/11/2015 | Common Stock |
| Phantom Stock | (4) | (5) | (5) | Common Stock 51 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| KERLEY GREGORY D SUITE 125 2350 N. SAM HOUSTON PARKWAY EAST HOUSTON, TX 77032 | | | Executive Vice President & CFO | |

Signatures

/s/ Melissa D. McCarty, Attorney-in-fact for Mr. Kerley

12/14/2009

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Restricted stock and incentive stock options granted in consideration of services as an officer.
- (2) Purchased through the Company's 401(k) plan from November 14, 2008, through December 14, 2009. The information in this report is based on a plan statement dated as of December 14, 2009.
- (3) Incentive stock options become exercisable in three equal installments beginning on the first anniversary of the grant date specified in Column 3 or immediately upon death, disability, retirement at age 65, or a change in control.
- (4) Each share of phantom stock represents the right to receive the economic equivalent of one share of Southwestern Energy Company common stock.
- (5) Shares of phantom stock are payable in cash following termination of the reporting person's employment with Southwestern Energy Company. The reporting person may transfer his phantom stock account into an alternative investment account at any time.
- (6) The phantom stock is currently held in the Southwestern Energy Company Nonqualified Retirement Plan (the "NQ Plan") investment fund.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.