

KERLEY GREGORY D
 Form 5
 February 12, 2010

FORM 5

**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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

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)

3. Statement of Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2009

SUITE 125, 2350 N. SAM
 HOUSTON PARKWAY EAST

(Street)

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

6. Individual or Joint/Group Reporting
 (check applicable line)

HOUSTON, TX 77032

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) | Amount (A) or Price (D) | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|-------------------------|--|--|---|
| Common Stock | 12/29/2009 | ^ | G ⁽¹⁾ | 319 D | \$ 0 | 995,779 | D | ^ |
| Common Stock | 12/29/2009 | ^ | G ⁽¹⁾ | 319 A | \$ 0 | 319 | I | By JGH Irrevocable Trust; Greg D. Kerley, Grantor |
| | ^ | ^ | ^ | ^ | ^ | 25,185.0562 | I | |

Common
StockBy 401(k)
Plan

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

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(9-02)**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 Securities (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|-----|--|-----------------|---|----------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Options (Right to Buy) | \$ 0.93 | Â | Â | Â | Â | Â | 12/14/2001 | 12/14/2010 | Common Stock | 155,984 |
| Stock Options (Right to Buy) | \$ 1.435 | Â | Â | Â | Â | Â | 12/11/2003 | 12/11/2012 | Common Stock | 152,070 |
| Stock Options (Right to Buy) | \$ 2.645 | Â | Â | Â | Â | Â | 12/10/2004 | 12/10/2013 | Common Stock | 216,718 |
| Stock Options (Right to Buy) | \$ 6.225 | Â | Â | Â | Â | Â | 12/09/2005 | 12/09/2011 | Common Stock | 102,650 |
| Stock Options (Right to Buy) | \$ 17.745 | Â | Â | Â | Â | Â | 12/08/2006 | 12/08/2012 | Common Stock | 41,785 |
| Stock Options (Right to Buy) | \$ 20.335 | Â | Â | Â | Â | Â | 12/11/2007 | 12/11/2013 | Common Stock | 38,783 |
| | \$ 27.18 | Â | Â | Â | Â | Â | 12/13/2008 | 12/13/2014 | | 43,880 |

| | | | | | | | | | | | |
|------------------------------|----------|---|---|---|---|---|------------|------------|--|--------------|-----------|
| Stock Options (Right to Buy) | | | | | | | | | | Common Stock | |
| Stock Options (Right to Buy) | \$ 30.68 | ^ | ^ | ^ | ^ | ^ | 12/11/2009 | 12/11/2015 | | Common Stock | 31,610 |
| Stock Options (Right to Buy) | \$ 40.73 | ^ | ^ | ^ | ^ | ^ | 12/10/2010 | 12/10/2016 | | Common Stock | 21,870 |
| Phantom Stock | ^ | ^ | ^ | ^ | ^ | ^ | ^ (3) | ^ (3) | | Common Stock | 51,589.72 |

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

02/12/2010

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).

- On December 29, 2009, the reporting person gifted 319 shares of Southwestern Energy Company stock to the Jackson Gregory Henson
- (1) Irrevocable Trust (the "JGH Irrevocable Trust"). The reporting person is the Grantor of the JGH Trust and will retain indirect beneficial ownership of the gifted shares.
 - (2) Each share of phantom stock represents the right to receive the economic equivalent of one share of Southwestern Energy Company common stock.
 - (3) 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.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.