

KERLEY GREGORY D  
 Form 5  
 February 14, 2011

**FORM 5**

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

OMB APPROVAL

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 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)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
 12/31/2010

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Executive Vice President & CFO

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)	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 Ownership (Instr. 4)
Common Stock	12/29/2010	Â	G <sup>(1)</sup>	41,500 D \$ 0	1,128,311	D	Â
Common Stock	12/29/2010	Â	G <sup>(2)</sup>	710 D \$ 0	1,127,601	D	Â
Common Stock	12/29/2010	Â	G <sup>(2)</sup>	710 A \$ 0	710	I	By PAK Irrevocable Trust; Greg D. Kerley,

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									Grantor
Common Stock	12/29/2010	Â	G <sup>(3)</sup>	710	D	\$ 0	1,126,891	D	Â
Common Stock	12/29/2010	Â	G <sup>(3)</sup>	710	A	\$ 0	710	I	By TMH Irrevocable Trust; Greg D. Kerley, Grantor
Common Stock	12/29/2010	Â	G <sup>(4)</sup>	910	D	\$ 0	1,125,981	D	Â
Common Stock	12/29/2010	Â	G <sup>(4)</sup>	910	A	\$ 0	1,229	I	By JGH Irrevocable Trust; Greg D. Kerley, Grantor
Common Stock	Â	Â	Â	Â	Â	Â	25,348.5238	I	By 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
Phantom Stock	Â	Â	Â	Â	Â	Â	Â <sup>(6)</sup>	Â <sup>(6)</sup>	Common Stock	51,589.72
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
Stock Options (Right to Buy)	\$ 27.18	Â	Â	Â	Â	Â	12/13/2008	12/13/2014	Common Stock	40,201
Stock Options (Right to Buy)	\$ 30.68	Â	Â	Â	Â	Â	12/11/2009	12/11/2015	Common Stock	31,610
Stock Options (Right to Buy)	\$ 36.22	Â	Â	Â	Â	Â	12/09/2011	12/09/2017	Common Stock	27,760
Stock Options (Right to Buy)	\$ 40.73	Â	Â	Â	Â	Â	12/10/2010	12/10/2016	Common Stock	21,870

## 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	Â X	Â	Â Executive Vice President & CFO	Â

## Signatures

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

02/14/2011

\*\*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) On December 29, 2010, the reporting person gifted 41,500 shares of Southwestern Energy Company stock to the Kerley Family Foundation.  
On December 29, 2010, the reporting person gifted shares of Southwestern Energy Company stock to the Paige A. Kerley Irrevocable Trust (the "PAK Irrevocable Trust"). The reporting person is the Grantor of the PAK Trust and will retain indirect beneficial ownership of the gifted shares.
- (3) On December 29, 2010, the reporting person gifted shares of Southwestern Energy Company stock to the Tate M. Henson Irrevocable Trust (the "TMH Irrevocable Trust"). The reporting person is the Grantor of the TMH Trust and will retain indirect beneficial ownership of the gifted shares.
- (4) On December 29, 2009, and December 29, 2010, the reporting person gifted shares of Southwestern Energy Company stock to the Jackson Gregory Henson 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.
- (5) Each share of phantom stock, which is currently held in the Southwestern Energy Company Nonqualified Retirement Plan investment fund, represents the right to receive the economic equivalent of one share of Southwestern Energy Company common stock.
- (6) 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.

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