

SOUTHWESTERN ENERGY CO
 Form 4
 July 11, 2008

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)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
07/10/2008

____ 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 Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ____ Form filed by More than One Reporting Person

HOUSTON, TX 77032

(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 | 07/10/2008 | | M | | 16,064 (2) | A | \$ 6.23 1,414,902 (1) D |
| Common Stock | 07/10/2008 | | M | | 4 (3) | A | \$ 1.43 1,414,906 D |
| Common Stock | 07/10/2008 | | J(4) | | 80.3412 | A | \$ 40.079 24,954.8334 (5) 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 Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Options (Right to Buy) | \$ 6.225 | 07/10/2008 | | M | 16,064 | 12/09/2005 12/09/2011 | Common Stock | 16,064 |
| Stock Options (Right to Buy) | \$ 1.435 | 07/10/2008 | | M | 4 | 12/11/2003 12/11/2012 | Common Stock | 4 |

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 Gregory D. Kerley 07/11/2008

__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 March 25, 2008, the common stock of Southwestern Energy Company split 2-for-1, resulting in an increase of 699,419 shares of common stock directly held by the reporting person.
- (2) This option was previously reported as covering 59,360 stock options at an exercise price of \$12.45 per share, but was adjusted to reflect the 2-for-1 stock split on March 25, 2008.

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- (3) This option was previously reported as covering 76,040 stock options at an exercise price of \$2.865 per share, but was adjusted to reflect the 2-for-1 stock split on March 25, 2008.
- (4) Purchased through the Company's 401(k) plan from February 29, 2008, thru July 10, 2008. The information in this report is based on a plan statement dated July 10, 2008.
- (5) On March 25, 2008, the common stock of Southwestern Energy Company split 2-for-1, resulting in an increase of 12,437.2461 shares of common stock indirectly held by the reporting person in the Company's 401(k) Plan.

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.