

SOUTHWESTERN ENERGY CO

Form 8-K

December 15, 2010

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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): December 9, 2010**

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**SOUTHWESTERN ENERGY COMPANY**

**(Exact name of registrant as specified in its charter)**

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**Delaware**

**(State or other jurisdiction of incorporation)**

**1-08246**  
**(Commission File Number)**

**71-0205415**  
**(IRS Employer Identification No.)**

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2350 N. Sam Houston Pkwy. E., Suite 125,

Houston, Texas

(Address of principal executive offices)

77032

(Zip Code)

(281) 618-4700

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Section 5 - Corporate Governance and Management

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e) On December 9, 2010, after consideration and a review of a number of factors, including but not limited to performance, competitive market data and the recommendations of the Company's outside compensation consultants, the Compensation Committee of the Board of Directors of Southwestern Energy Company (the "Company") approved the annual base salaries, cash incentive compensation award levels and long-term incentive compensation awards for fiscal year 2011 of the Company's 2010 Named Executive Officers who are still employees of the Company.

The following table sets forth the annual base salaries of the Company's Named Executive Officers as of January 1, 2010 and 2011, the long-term incentives granted to the Named Executive Officers for fiscal year 2011 and the target annual incentive award and the maximum total annual cash incentive award (i.e., assuming attainment of the maximum performance objectives and the maximum discretionary amount) as a percentage of base salary for 2011 for each Named Executive Officer under the Company's Incentive Compensation Plan. The restricted stock and stock option awards were granted to the Named Executive Officers under the 2004 Stock Incentive Plan on December 9, 2010. Each of the restricted stock awards vests ratably over a period of four years. The exercise price of the stock options is \$36.22, the closing price of the Company's common stock on December 8, 2010, and each of the option awards vests ratably over a period of three years. The performance units were granted under the Company's 2002 Performance Unit Plan, with each unit vesting in three years and having a target value of \$1,000.

|  | Salary    |           | 2011 Long-Term Incentives |                  |                   | Incentive Compensation Plan |          |
|--|-----------|-----------|---------------------------|------------------|-------------------|-----------------------------|----------|
|  | 2010      | 2011      | Options                   | Restricted Stock | Performance Units | 2011 Target                 | 2011 Max |
| Steven L. Mueller<br>President & Chief Executive Officer             | \$720,000 | \$800,000 | 74,590                    | 38,530           | 1,434             | 175%                        | 262.5%   |
| Greg D. Kerley<br>Executive Vice President & Chief Financial Officer | \$460,000 | \$475,000 | 27,760                    | 14,340           | 533               | 130%                        | 195%     |
| Mark K. Boling<br>Executive Vice President & General Counsel         | \$385,000 | \$400,000 | 19,080                    | 9,860            | 367               | 125%                        | 187.5%   |

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|  |           |           |       |       |     |      |        |
|--|-----------|-----------|-------|-------|-----|------|--------|
| Gene A. Hammons<br>President - Midstream | \$320,000 | \$330,000 | 5,900 | 3,050 | 340 | 125% | 187.5% |
|--|-----------|-----------|-------|-------|-----|------|--------|

On December 9, 2010, based upon the recommendation of the Nominating and Governance Committee, and with the approval of the Compensation Committee, the Board of Directors granted each of the Company's non-employee directors (i) 4,550 non-qualified stock options, in accordance with the 2004 Stock Incentive Plan, and (ii) 2,350 shares of restricted stock in accordance with the 2004 Stock Incentive Plan. Each of the restricted stock awards vests ratably over a period of four years. The exercise price of the stock options is \$36.22, the closing price of the Company's common stock on December 8, 2010, and each of the option awards vests ratably over a period of three years.

**SIGNATURES**

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

**SOUTHWESTERN ENERGY COMPANY**

Dated: December 15, 2010

By: /s/ GREG D. KERLEY

Name: Greg D. Kerley  
Title: Executive Vice President and  
Chief Financial Officer

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