

SOUTHWESTERN ENERGY CO
 Form 4
 September 04, 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 *
 LANE RICHARD F

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)
 09/03/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Pres. E&P and EVP SWN

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| | | | | Code | V | Amount | |
| Common Stock | 09/03/2008 | | D | (1) | 18,340 | D | \$ 0 530,426 D |

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

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SEC 1474 (9-02)

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

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| 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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Phantom Stock | <u>(2)</u> | | | | | <u>(3)</u> | <u>(3)</u> | Common Stock | 23,655.26 |
| Stock Options (Right to Buy) | \$ 1.435 <u>(4)</u> | | | | | 12/11/2003 | 12/11/2012 <u>(5)</u> | Common Stock | 97,556 |
| Stock Options (Right to Buy) | \$ 1.205 <u>(4)</u> | | | | | 12/20/2002 | 12/20/2011 <u>(5)</u> | Common Stock | 50,000 |
| Stock Options (Right to Buy) | \$ 20.335 <u>(4)</u> | | | | | 12/11/2007 | 12/11/2013 <u>(5)</u> | Common Stock | 29,133 |
| Stock Options (Right to Buy) | \$ 2.645 | | | | | 12/10/2004 | 12/10/2013 <u>(5)</u> | Common Stock | 105,122 |
| Stock Options (Right to Buy) | \$ 27.18 <u>(4)</u> | | | | | 12/13/2008 | 12/13/2014 <u>(5)</u> | Common Stock | 14,626 |
| Stock Options (Right to Buy) | \$ 6.225 <u>(4)</u> | | | | | 12/09/2005 | 12/09/2011 <u>(5)</u> | Common Stock | 98,936 |
| Stock Options (Right to Buy) | \$ 0.93 | | | | | 12/14/2001 | 12/14/2010 <u>(5)</u> | Common Stock | 53,512 |
| Stock Options (Right to Buy) | \$ 17.745 <u>(4)</u> | | | | | 12/08/2006 | 12/08/2012 <u>(5)</u> | Common Stock | 47,420 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| LANE RICHARD F SUITE 125 2350 N. SAM HOUSTON PARKWAY EAST HOUSTON, TX 77032 | | | Pres. E&P and EVP SWN | |

Signatures

| | |
|--|------------|
| /s/ Melissa D. McCarty, Attorney-in-Fact for Richard F. Lane | 09/04/2008 |
| **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) As a result of Mr. Lane's resignation from the Company on September 3, 2008, he voluntarily forfeited 18,340 shares of restricted stock that were granted to him under the Company's 2004 Stock Incentive Plan, and would not vest until after December 31, 2008. All outstanding restricted stock vesting prior to December 31, 2008, was accelerated on the date of resignation.
 - (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.
 - (4) Adjustments have been made to the exercise price and derivative securities beneficially owned to reflect the two-for-one stock split on March 25, 2008.
 - (5) As a result of Mr. Lane's resignation on September 3, 2008, all outstanding stock options will expire on September 3, 2010.
 - (6) As a result of Mr. Lane's resignation on September 3, 2008, 14,567 stock options vesting prior to December 31, 2008, have been accelerated, and 14,567 unvested stock options have been voluntarily forfeited.
 - (7) As a result of Mr. Lane's resignation on September 3, 2008, 14,626 stock options vesting prior to December 31, 2008, have been accelerated, and 29,254 unvested stock options have been voluntarily forfeited.
 - (8) As a result of Mr. Lane's resignation on September 3, 2008, 15,806 unvested options relating to the incentive stock award on December 8, 2005, were accelerated.

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.