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SOUTHWESTERN ENERGY CO

Form U-3A-2

February 27, 2002

FORM U-3A-2

File No. 69-248

SECURITIES & EXCHANGE COMMISSION  
Washington, D.C.

Statement by Holding Company Claiming Exemption  
Under Rule U-3A-2 from the Provisions of the  
Public Utility Holding Company Act of 1935

SOUTHWESTERN ENERGY COMPANY hereby files with the Securities & Exchange Commission, pursuant to Rule U-3A-2, its statement claiming exemption as a holding company from the provisions of the Public Utility Holding Company Act of 1935. In support of such claim for exemption, the following information is submitted:

1. Southwestern Energy Company, an Arkansas corporation, is located at 2350 North Sam Houston Parkway East, Suite 300, Houston, Texas 77032. Southwestern Energy Company is a holding company with seven wholly owned subsidiaries. The wholly owned subsidiaries of the holding company are Arkansas Western Gas Company, an Arkansas utility; SEECO, Inc., an Arkansas based gas exploration and production company; Southwestern Energy Production Company (formerly Arkansas Western Production Company), an oil and gas exploration and production company with offices in Texas and Arkansas; Diamond "M" Production Company, a Texas based oil and gas exploration and production company; Southwestern Energy Services Company, an Oklahoma based gas marketing company; Southwestern Energy Pipeline Company, a corporation that owns a minority interest in the NOARK Pipeline System Limited Partnership (NOARK), (NOARK owns an interstate natural gas pipeline in Arkansas and Oklahoma); and A. W. Realty Company, an Arkansas real estate company which holds real estate interests. Overton Partners, L.L.C., is an Arkansas limited liability company owned by Southwestern Energy Production Company. Overton Partners, L.L.C., owns a majority interest in Overton Partners, L.P., a Texas limited partnership. The financial results of Overton Partners, L.P., are consolidated with the financial results for Southwestern Energy Company and its other subsidiaries. Arkansas Gas Gathering Company is a wholly owned subsidiary of SEECO, Inc., and is currently inactive.

The main location of Arkansas Western Gas Company is 1001 Sain Street, Fayetteville, Arkansas 72703. The main location of SEECO, Inc., Arkansas Gas Gathering Company, A. W. Realty Company, Overton Partners, L.L.C., and Overton Partners, L.P., is 1083 Sain Street, Fayetteville, Arkansas 72703. The main location of Southwestern Energy Production Company and Diamond "M" Production Company is 2350 North Sam Houston Parkway East, Suite 300, Houston, Texas 77032. The main location of Southwestern Energy Services Company and Southwestern Energy Pipeline Company is 2200 Mid-Continent Tower, 401 South Boston, Tulsa, Oklahoma 74103.

All of the Claimant's subsidiaries, with the exception of Diamond "M" Production Company, Overton Partners, L.P., and Overton Partners, L.L.C., are Arkansas corporations with Southwestern Energy Production Company being authorized to do business in Oklahoma, Texas, Colorado,

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Wyoming, Louisiana, North Dakota, South Dakota, Kansas, New Mexico, Mississippi and Nebraska. SEECO, Inc., has authority to operate only in Arkansas. Arkansas Western Gas Company is also authorized to do business in Missouri, although it has sold all of its Missouri operations effective May 31, 2000. Southwestern Energy Pipeline Company is authorized to do business in Oklahoma. Southwestern Energy Services Company is authorized to do business in Oklahoma, Louisiana and Texas. Diamond "M" Production Company is a Delaware corporation authorized to do business in Texas. Overton Partners, L.L.C., is an Arkansas limited liability company authorized to do business in Arkansas and Texas. Overton Partners, L.P., is Texas limited partnership authorized to do business in Texas.

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2. Claimant, Southwestern Energy Company, is the parent company and owns beneficially and of record 100% of the issued and outstanding shares of stock of its seven corporate subsidiaries.

Arkansas Western Gas Company (AWG), Claimant's only public utility subsidiary, operates 5,127 miles of pipeline. This system is located entirely within the state of Arkansas and includes a gathering and storage system with 387 miles of pipeline, 984 miles of transmission pipeline and 3,756 miles of distribution pipeline.

AWG's northwest Arkansas gas utility system gathers its primary gas supply in Arkansas from the Arkoma Basin where it also provides distribution service to communities in that area, including the towns of Ozark and Clarksville. AWG's transmission and distribution lines extend north and supply communities in the northwest part of the state, including the towns of Fayetteville, Springdale and Rogers. AWG's service area also extends to the Harrison and Mountain Home areas. The section of the AWG system serving Harrison and Mountain Home receives a portion of its gas supply from a lateral line off of the Ozark Pipeline System.

AWG's northeast Arkansas gas utility system obtains its primary gas supply from interstate pipelines. Through its northeast Arkansas gas utility system, AWG provides distribution of natural gas to the major communities of Blytheville, Piggott and Osceola.

3. Arkansas Western Gas Company made gas sales for the 12 months ended December 31, 2001, as follows:

(a) Natural gas distributed at retail:

Utility Sales -----	Average Consumers -----	Mcf ---	Sales -----
Residential	117,765	8,442,456	\$ 77,061,157
Commercial	16,017	6,070,642	47,947,486
Industrial	215	2,486,199	15,339,773
	-----	-----	-----
Total	133,997	16,999,297	\$ 140,348,416
	=====	=====	=====

(b) The public utility subsidiary purchased outside the state of

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Arkansas 5,776,061 Mcf of natural gas costing \$33,651,041 and utilized the services of interstate pipelines to deliver the gas to its service territory or to storage facilities pending later delivery.

4. The Claimant holds no direct or indirect interest in an EWG or a foreign utility company.

EXHIBIT A

Consolidating Statements of Income and Surplus along with Consolidating Balance Sheets for the year ended December 31, 2001.

EXHIBIT B

Financial Data Schedule for the year ended December 31, 2001.

EXHIBIT C

The Claimant holds no direct or indirect interest in an EWG or a foreign utility company.

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The above named Claimant has caused this statement to be duly executed on its behalf by its authorized officer on this 27th day of February, 2002.

SOUTHWESTERN ENERGY COMPANY

By: /s/ GREG D. KERLEY

-----  
Greg D. Kerley  
Executive Vice President  
and Chief Financial Officer

ATTEST:

/s/ MARK K. BOLING

-----  
MARK K. BOLING  
Secretary

Notices and correspondence concerning this statement should be addressed to:  
Greg D. Kerley, Executive Vice President and Chief Financial Officer  
Southwestern Energy Company  
2350 North Sam Houston Parkway East, Suite 300  
Houston, Texas 77032

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SOUTHWESTERN ENERGY COMPANY AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(in thousands)

	Southwestern Energy Company	Arkansas Western Gas Company	SEECO, Inc.	Southwestern Energy Production Company	Diam "M" Prod Comp
Operating Revenues:					
Gas sales	\$ -	\$ 140,348	\$ 70,209	\$ 61,295	\$ -
Gas marketing	-	-	-	-	-
Oil sales	-	-	-	14,011	-
Gas transportation	-	4,366	-	-	-
Other	-	2,568	471	-	-
	-	147,282	70,680	75,306	-
Operating Costs and Expenses:					
Gas purchases - utility	-	96,058	-	-	-
Gas purchases - marketing	-	-	-	-	-
Operating and general	-	32,386	11,834	17,383	-
Depreciation, depletion and amortization	-	6,163	16,925	26,732	-
Taxes, other than income	-	2,329	424	5,719	-
	-	136,936	29,183	49,834	-
Operating Income (Loss)	-	10,346	41,497	25,472	-
Interest Expense:					
Interest on long-term debt	23,920	-	-	-	-
Intercompany interest	(6,529)	3,888	2,029	(467)	-
Other interest charges	704	531	-	29	-
Interest capitalized	-	(6)	(278)	(1,311)	-
	18,095	4,413	1,751	(1,749)	-
Other Income (Expense)	13,945	600	1	143	-
Minority Interest - Partnership	-	-	-	930	-
Income (Loss) before Provision (Benefit) for Income Taxes	(4,150)	6,533	39,747	26,434	-
Provision (Benefit) for Income Taxes	(6,884)	2,505	15,786	10,320	-
Net Income (Loss)	\$ 2,734	\$ 4,028	\$ 23,961	\$ 16,114	\$ -

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SOUTHWESTERN ENERGY COMPANY AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(in thousands)

	A.W. Realty Company	Southwestern Energy Pipeline Company	Southwestern Energy Services Company	Eliminations	Co
	-----	-----	-----	-----	-----
Operating Revenues:					
Gas sales	\$ -	\$ -	\$ -	\$ (27,931) (a)	\$
Gas marketing	-	-	190,325	(118,486) (a)	
Oil sales	-	-	-	-	
Gas transportation	-	-	-	-	
Other	448	-	-	(648) (b)	
	-----	-----	-----	-----	-----
	448	-	190,325	(147,065)	
	-----	-----	-----	-----	-----
Operating Costs and Expenses:					
Gas purchases - utility	-	-	-	(27,897) (a) (b)	
Gas purchases - marketing	-	-	186,496	(118,486) (a)	
Operating and general	29	72	960	(736) (b)	
Depreciation, depletion and amortization	90	5	111	-	
Taxes, other than income	24	2	55	-	
	-----	-----	-----	-----	-----
	143	79	187,622	(147,119)	
	-----	-----	-----	-----	-----
Operating Income (Loss)	305	(79)	2,703	54	
	-----	-----	-----	-----	-----
Interest Expense:					
Interest on long-term debt	-	-	-	-	
Intercompany interest	41	773	124	-	
Other interest charges	-	-	110	-	
Interest capitalized	-	-	-	-	
	-----	-----	-----	-----	-----
	41	773	234	-	
	-----	-----	-----	-----	-----
Other Income (Expense)	15	(1,484)	-	(14,054) (b) (c)	
	-----	-----	-----	-----	-----
Minority Interest - Partnership	-	-	-	-	
	-----	-----	-----	-----	-----
Income (Loss) Before Provision (Benefit) for Income Taxes	279	(2,336)	2,469	(14,000) (c)	
	-----	-----	-----	-----	-----
Provision (Benefit) for Income Taxes	111	(859)	996	-	
	-----	-----	-----	-----	-----
Net Income (Loss)	\$ 168	\$ (1,477)	\$ 1,473	\$ (14,000)	\$
	=====	=====	=====	=====	=====

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SOUTHWESTERN ENERGY COMPANY AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET  
DECEMBER 31, 2001  
(in thousands)

	Southwestern Energy Company	Arkansas Western Gas Company	SEECO, Inc.	Southwestern Energy Production Company	Diam "M" Prod Comp
<b>Assets</b>					
<b>Current Assets:</b>					
Cash	\$ 1,189	\$ 977	\$ -	\$ 70	\$ -
Accounts receivable	813	23,217	2,453	5,779	-
Intercompany accounts receivable	32,710	-	(19,499)	18,182	-
Income taxes receivable	265	-	-	-	-
Inventories, at average cost	-	10,293	16,313	-	-
Hedging Asset	-	-	9,381	-	-
Regulatory Asset - Hedging	-	5,817	-	-	-
Other	2,446	1,351	(2)	994	-
<b>Total Current Assets</b>	<b>37,423</b>	<b>41,655</b>	<b>8,646</b>	<b>25,025</b>	<b>-</b>
<b>Investments:</b>					
Investment in subsidiaries, at cost	412,661	-	-	-	-
Other	-	-	-	1,216	-
	<b>412,661</b>	<b>-</b>	<b>-</b>	<b>1,216</b>	<b>-</b>
<b>Property, Plant and Equipment:</b>					
Oil and gas properties, using the full cost method	-	-	292,140	645,971	-
Gas utility system	-	192,784	-	-	-
Gas in underground storage	-	15,998	16,048	-	-
Other	16,978	921	461	5,398	-
	<b>16,978</b>	<b>209,703</b>	<b>308,649</b>	<b>651,369</b>	<b>-</b>
Less - Accumulated depreciation, depletion and amortization	12,728	84,927	166,986	332,376	-
	<b>4,250</b>	<b>124,776</b>	<b>141,663</b>	<b>318,993</b>	<b>-</b>
<b>Other Assets</b>	<b>9,331</b>	<b>3,500</b>	<b>1,006</b>	<b>793</b>	<b>-</b>
	<b>\$ 463,665</b>	<b>\$ 169,931</b>	<b>\$ 151,315</b>	<b>\$ 346,027</b>	<b>\$ -</b>

SOUTHWESTERN ENERGY COMPANY AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET  
DECEMBER 31, 2001  
(in thousands)

A.W. Southwestern Energy Southwestern Energy

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	Realty Company	Pipeline Company	Services Company	Eliminations	Co
	-----	-----	-----	-----	-----
<b>Assets</b>					
-----					
<b>Current Assets:</b>					
Cash	\$ -	\$ -	\$ 1	\$ -	\$
Accounts receivable	3	-	7,956	(2,293) (d)	
Intercompany accounts receivable	(449)	(12,614)	1,942	(12,071) (d)	
Income taxes receivable	-	-	-	-	
Inventories, at average cost	-	-	-	-	
Hedging Asset	-	-	-	-	
Regulatory Asset - Hedging	-	-	-	-	
Other	2	-	(57)	-	
	-----	-----	-----	-----	-----
Total Current Assets	(444)	(12,614)	9,842	(14,364)	
	-----	-----	-----	-----	-----
<b>Investments:</b>					
Investment in subsidiaries, at cost	-	-	-	(412,661) (e)	
Other	50	15,488	-	(11,826) (d)	
	-----	-----	-----	-----	-----
	50	15,488	-	(424,487)	
	-----	-----	-----	-----	-----
<b>Property, Plant and Equipment:</b>					
Oil and gas properties, using the full cost method	-	-	-	-	
Gas utility system	-	-	-	-	
Gas in underground storage	-	-	-	-	
Other	5,968	-	384	-	
	-----	-----	-----	-----	-----
	5,968	-	384	-	
<b>Less - Accumulated depreciation, depletion and amortization</b>					
	983	-	258	-	
	-----	-----	-----	-----	-----
	4,985	-	126	-	
	-----	-----	-----	-----	-----
<b>Other Assets</b>					
	-	-	-	-	
	-----	-----	-----	-----	-----
	\$4,591	\$ 2,874	\$ 9,968	\$ (438,851)	\$
	=====	=====	=====	=====	=====

SOUTHWESTERN ENERGY COMPANY AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET (continued)  
DECEMBER 31, 2001  
(in thousands)

Southwestern Energy Company	Arkansas Western Gas Company	SEECO, Inc.	Southwestern Energy Production Company	Diam "M" Prod Comp
-----	-----	-----	-----	-----

Liabilities and Shareholders' Equity

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-----					
Current Liabilities:					
Accounts payable	\$ 14,686	\$ 5,743	\$ 5,711	\$ 11,721	\$
Taxes payable	548	2,827	280	78	
Interest payable	2,503	150	-	-	
Deferred gas purchases	-	8,184	-	-	
Hedging liability	958	5,817	215	-	
Customer deposits	-	4,845	-	-	
Other	(2,916)	707	3,859	739	
	-----	-----	-----	-----	-----
Total Current Liabilities	15,779	28,273	10,065	12,538	
	-----	-----	-----	-----	-----
Long-Term Debt, less current portion	350,000	59,352	-	-	
	-----	-----	-----	-----	-----
Other Liabilities:					
Deferred income taxes	(56,886)	20,733	60,269	85,197	
Deferred investment tax credits	-	1,195	-	-	
Long-term hedging liability	-	-	100	-	
Other	1,638	561	-	889	
	-----	-----	-----	-----	-----
	(55,248)	22,489	60,369	86,086	
	-----	-----	-----	-----	-----
Minority Interest - Partnership	-	-	-	13,001	
	-----	-----	-----	-----	-----
Shareholders' Equity:					
Common stock	2,774	24,214	8,244	1	
Additional paid-in capital	19,764	29,000	22,000	253,545	
Retained earnings	160,072	6,603	44,290	(19,144)	
Partnership capital	-	-	-	-	
Other comprehensive income	(584)	-	6,347	-	
Common stock in treasury, at cost	(25,196)	-	-	-	
Unamortized cost of restricted shares issued under stock incentive plan	(3,696)	-	-	-	
	-----	-----	-----	-----	-----
	153,134	59,817	80,881	234,402	
	-----	-----	-----	-----	-----
	\$ 463,665	\$ 169,931	\$ 151,315	\$ 346,027	\$
	=====	=====	=====	=====	=====

SOUTHWESTERN ENERGY COMPANY AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET (continued)  
DECEMBER 31, 2001  
(in thousands)

	A.W. Realty Company	Southwestern Energy Pipeline Company	Southwestern Energy Services Company	Eliminations	Co
	-----	-----	-----	-----	-----
Liabilities and Shareholders' Equity					
-----					
Current Liabilities:					
Accounts payable	\$ -	\$ -	\$ 2,144	\$ (2,292) (d)	\$



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Taxes payable	76	-	591	-	
Interest payable	-	-	-	-	
Deferred gas purchases	-	-	-	-	
Hedging liabilities	-	-	-	-	
Customer deposits	-	-	-	-	
Other	-	-	363	-	
	-----	-----	-----	-----	-----
Total Current Liabilities	76	-	3,098	(2,292)	
	-----	-----	-----	-----	-----
Long-Term Debt, less current portion	-	-	-	(59,352) (e)	
	-----	-----	-----	-----	-----
Other Liabilities:					
Deferred income taxes	555	10,860	1,038	-	
Deferred investment tax credits	-	-	-	-	
Long-term hedging liability	-	-	-	-	
Other	-	-	-	-	
	-----	-----	-----	-----	-----
	555	10,860	1,038	-	
	-----	-----	-----	-----	-----
Minority Interest - Partnership	-	-	-	-	
	-----	-----	-----	-----	-----
Shareholders' Equity:					
Common stock	1	2	2	(32,464) (e)	
Additional paid-in capital	1,728	7,572	-	(320,845) (e)	
Retained earnings	2,231	(15,560)	5,830	-	
Partnership capital	-	-	-	(23,898) (d)	
Other comprehensive income	-	-	-	-	
Common stock in treasury, at cost	-	-	-	-	
Unamortized cost of restricted shares issued under stock incentive plan	-	-	-	-	
	-----	-----	-----	-----	-----
	3,960	(7,986)	5,832	(377,207)	
	-----	-----	-----	-----	-----
	\$4,591	\$ 2,874	\$ 9,968	\$ (438,851)	\$
	=====	=====	=====	=====	=====

SOUTHWESTERN ENERGY COMPANY AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(in thousands)

	Southwestern Energy Company	Arkansas Western Gas Company	SEECO, Inc.	Southwestern Energy Production Company	Diam "M" Prod Comp
	-----	-----	-----	-----	-----
RETAINED EARNINGS, beginning of year	\$ 157,338	\$ 16,575	\$ 20,329	\$ (35,258)	\$ (

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Net income (loss)	2,734	4,028	23,961	16,114
Cash dividends	-	(14,000)	-	-
RETAINED EARNINGS, end of year	\$ 160,072	\$ 6,603	\$ 44,290	\$ (19,144)

SOUTHWESTERN ENERGY COMPANY AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(in thousands)

	A.W. Realty Company	Southwestern Energy Pipeline Company	Southwestern Energy Services Company	Eliminations	Co
RETAINED EARNINGS, beginning of year	\$2,063	\$ (14,083)	\$ 4,357	\$ -	\$
Net income (loss)	168	(1,477)	1,473	(14,000) (e)	
Cash dividends	-	-	-	14,000 (e)	
RETAINED EARNINGS, end of year	\$2,231	\$ (15,560)	\$ 5,830	\$ -	\$

Exhibit B

SOUTHWESTERN ENERGY COMPANY AND SUBSIDIARIES  
CONSOLIDATING FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2001  
(in thousands)

Total Assets	\$ 743,123
Total Operating Revenues	\$ 344,927
Net Income	\$ 35,324

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P.O. Box 1408  
Fayetteville, AR 72702-1408

February 27, 2002

Securities & Exchange Commission  
ATTN: Filing Desk, Stop 1-4  
450 Fifth Street, N. W.  
Washington, DC 20549-1004

Gentlemen:

Enclosed is Form U-3A-2, Statement by Holding Company Claiming Exemption Under Rule U-3A-2 from the Provisions of the Public Utility Holding Company Act of 1935, on behalf of Southwestern Energy Company for the year ended December 31, 2001.

This filing is being effected by direct transmission to the Commission's EDGAR System.

Sincerely,

Stan Wilson  
Controller