

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

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 21, 1993

## SOUTHWESTERN ENERGY COMPANY

(Exact name of registrant as specified in its charter)

Arkansas	1 - 8246	71-0205415
(State of incorporation	(Commission	(I.R.S. Employer
or organization)	File Number)	Identification
No.)		

1083 Sain Street, P.O. Box 1408, Fayetteville, Arkansas 72702-1408

(Address of principal executive offices, including zip code)

(501) 521-1141

(Registrant's telephone number, including area code)

No Change

(Former name, former address and former fiscal year; if changed since last report)

**Item 5.**

**Other Events**

Vesta Energy Company ("Vesta") filed on December 21, 1993, and amended on January 6, 1994, a complaint in the Federal District Court for the Northern District of Oklahoma against the Registrant, four of its subsidiaries, and the NOARK Pipeline System ("NOARK"). The complaint makes several allegations and generally claims that the defendants induced Vesta to enter into a contract to transport 50,000 Million British Thermal Units (MMBtu) of gas per day on NOARK and a separate contract to purchase 25,000 MMBtu per day of the total from two of the Registrant's subsidiaries through a series of false representations. Vesta is seeking rescission of the contracts, actual damages in excess of \$1.0 million and punitive damages in excess of \$1.0 million.

The Registrant believes that Vesta's claim is wholly without merit and expects NOARK to file a counterclaim seeking enforcement of the contracts and damages. The Registrant may also seek damages related to the price paid to two of its subsidiaries for gas production sold to Vesta. A press release dated January 10, 1994, and filed as an exhibit per Item 7. of this report, is hereby incorporated by reference for further details.

Item 7.(c)

Exhibits  
Reference

(1) Press release dated January 10, 1994.

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**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, thereunto duly authorized.

**SOUTHWESTERN ENERGY COMPANY**

**Registrant**

*DATE: January 19, 1994*

*BY: /s/ GREGORY D. KERLEY*

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*Gregory D. Kerley  
Vice President -  
Treasurer and*

*Secretary,*

*and Chief Accounting  
Officer*

**VESTA ENERGY COMPANY FILES COMPLAINT  
AGAINST SOUTHWESTERN, NOARK PIPELINE SYSTEM**

FAYETTEVILLE, ARKANSAS--Southwestern Energy Company (Southwestern) (NYSE:SWN) announced that Vesta Energy Company (Vesta) has filed a complaint in the Federal District Court for the Northern District of Oklahoma against Southwestern, four of its subsidiaries, and the NOARK Pipeline System (NOARK). The complaint also named as defendants Dan B. Grubb, President of Southwestern, and Grubb NOARK Pipeline, Inc., an entity owned by Mr. Grubb. Vesta has a contract with NOARK which obligates it to transport up to 50,000 Million British Thermal Units (MMBtu) of gas per day on NOARK. Vesta has a separate contract to purchase 25,000 MMBtu per day of the total from two subsidiaries of Southwestern. The complaint makes several allegations and generally claims that the defendants induced Vesta to enter into the contracts through a series of false representations. Vesta is seeking rescission of the contracts, actual damages in excess of \$1.0 million and punitive damages in excess of \$1.0 million. Southwestern stated that Vesta's claim is wholly without merit and expects NOARK to file a counterclaim seeking enforcement of the contracts and damages. Southwestern may also seek damages related to the price paid to two of Southwestern's subsidiaries for gas production sold to Vesta. Southwestern, through a subsidiary, owns a 47.33% general partnership interest in the limited partnership which constructed and operates NOARK and serves as managing partner. Vesta owns a 1% general partnership interest in NOARK. Grubb NOARK Pipeline, Inc. owned an interest in NOARK prior to the time Mr. Grubb became President of Southwestern. Vesta is a unit of Edisto Resources Corporation (Edisto). Edisto recently emerged from a bankruptcy reorganization and has recently undergone a number of management changes.

Under its contract with NOARK, Vesta is obligated to pay firm demand charges on 50,000 MMBtu per day of transportation capacity at a rate of \$.193 per MMBtu, or approximately \$293,000 monthly. For volumes actually transported, Vesta is obligated to pay an additional \$.092 per MMBtu. Vesta's shipments on NOARK had been averaging approximately 32,000 MMBtu per day, including the 25,000 MMBtu per day purchased from Southwestern's subsidiaries. Vesta has ceased shipments on NOARK and has ceased payment of its

contractual firm demand charges. Southwestern intends to continue to ship the 25,000 MMBtu per day on NOARK and, as is the case under its sales contract with Vesta, Southwestern will initially continue to pay the full firm transportation charges to NOARK. Southwestern said that it did not expect significant realization problems with receivable balances due from Vesta as recent sales of its gas production to Vesta have taken place under an escrow arrangement.

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# End of Filing