

UNITED STATES  
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)  
August 23, 2010 (August 23, 2010)

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

Delaware  
(State or other jurisdiction  
of incorporation)

001-31539  
(Commission  
File Number)

41-0518430  
(I.R.S. Employer  
Identification No.)

1775 Sherman Street, Suite 1200,                      80203  
Denver, Colorado    (Zip Code)  
(Address of principal executive offices)

Registrant's telephone number, including area code: (303) 861-8140

Not applicable  
(Former name or former address, if changed since last report.)

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 (see General Instruction A.2.):

- 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))

**Item 7.01 Regulation FD Disclosure.**

In accordance with General Instruction B.2. of Form 8-K, the preceding information, including Exhibit 99.1, shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall such information and Exhibit be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such a filing.

On August 23, 2010, SM Energy Company (the "Company") issued a press release announcing the Company's plan to raise additional capital through divestitures of non-strategic assets and/or joint venture agreements over the next twelve months. The Company has engaged Bank of America Merrill Lynch to market for sale roughly 43,000 net acres of the Marcellus shale position in McKean and Potter counties, Pennsylvania. The Company has also engaged Albrecht & Associates, Inc. to market for sale a package of non-core oil and gas properties. A copy of the press release is furnished as Exhibit 99.1 to this report.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.	The following exhibit is furnished as part of this report:
Exhibit 99.1	Press release of the Company dated August 23, 2010, entitled SM Energy Announces Portfolio Rationalization Plans

**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.

SM ENERGY COMPANY

Date: August 23, 2010

By: /s/ MARK T. SOLOMON  
Mark T. Solomon  
Controller

**Exhibit 99.1**

**For Information**

Brent A. Collins  
303-861-8140

**FOR IMMEDIATE RELEASE**

**SM ENERGY ANNOUNCES PORTFOLIO  
RATIONALIZATION PLANS**

**DENVER, August 23, 2010** – SM Energy Company (NYSE: SM) announces today that it is planning to raise at least \$300 to \$500 million through divestitures of non-strategic assets and/or joint venture agreements over the next 12 months, including the following potential transactions.

Part of the planned activities include the potential sale or joint venture of the Company's roughly 43,000 net acre Marcellus shale position in McKean and Potter counties, Pennsylvania. Bank of America Merrill Lynch has been engaged to market these assets. SM Energy also announces today that its second Marcellus well in McKean County, the Potato Creek 3H, began producing to sales in early August at a facility constrained initial gas production rate of over 7 MMCFE/D.

The Company has also engaged Albrecht & Associates to market a package of non-core, primarily proved developed properties, with a goal of completing a transaction by the end of 2010. Current production associated with this package as it is currently configured is 13 MMCFE/D.

Tony Best, President and CEO, commented, "Our goal is to continue to refine our portfolio in a manner that optimizes value for our stockholders. A key element in support of that goal will be divesting non-strategic assets and/or entering into joint ventures to fund the development of our core resource play opportunities."

**INFORMATION ABOUT FORWARD LOOKING STATEMENTS**

This release contains forward looking statements within the meaning of securities laws, including forecasts and projections. The words "plan," "will," and "expect" and similar expressions are intended to identify forward looking statements. These statements involve known and unknown risks, which may cause SM Energy's actual results to differ materially from results expressed or implied by the forward looking statements. These risks include such factors as the volatility and level of oil and natural gas prices, the uncertain nature of the expected benefits from the divestiture or joint venture of oil and gas properties, the ability to close announced divestitures or joint venture of oil and gas properties, uncertainties inherent in projecting future rates of production from drilling activities and acquisitions, the availability of debt and equity financing for purchasers of oil and gas properties, and other such matters discussed in the "Risk Factors" section of SM Energy's 2009 Annual Report on Form 10-K and subsequent quarterly reports filed on Form 10-Q. Although SM Energy may from time to time voluntarily update its prior forward looking statements, it disclaims any commitment to do so except as required by securities laws.

**ABOUT THE COMPANY**

SM Energy Company, formerly named St. Mary Land & Exploration Company, is an independent energy company engaged in the exploration, exploitation, development, acquisition, and production of natural gas and crude oil. SM Energy routinely posts important information about the Company on its website. For more information about SM Energy, please visit its website at [sm-energy.com](http://sm-energy.com).