

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)
December 21, 2016

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

| | | |
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| Delaware (State or other jurisdiction of incorporation) | 001-31539 (Commission File Number) | 41-0518430 (I.R.S. Employer Identification No.) |
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|---|---------------------|
| 1775 Sherman Street, Suite 1200, Denver, Colorado (Address of principal executive offices) | 80203 (Zip Code) |
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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))
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Item 2.01 Completion of Acquisition or Disposition of Assets.

On December 21, 2016, SM Energy Company, a Delaware corporation (the “*Company*”) completed its previously announced acquisition from QStar LLC, a Delaware limited liability company (“*QStar*”), of all of QStar’s interests in certain oil and gas assets located in Howard and Martin Counties, Texas (the “*Midland Assets*”) pursuant to the Purchase and Sale Agreement, dated as of October 17, 2016 (the “*QStar Purchase Agreement*”). On December 21, 2016, the Company also completed its previously announced acquisition from RRP-QStar, LLC (“*RRP*”), whereby RRP agreed to sell its interests in the Midland Assets pursuant to the Ratification and Joinder Agreement, dated as of October 17, 2016 (the “*Joinder Agreement*”), on the same terms and conditions that were set forth in the QStar Purchase Agreement, except as modified by the Joinder Agreement.

Under the QStar Purchase Agreement and the Joinder Agreement, the Company purchased QStar’s and RRP’s interests in the Midland Assets for \$1.1 billion in cash consideration, and the issuance of 13,385,949 shares of the Company’s common stock, par value \$0.01 per share. The Company applied a deposit of \$60.0 million against the purchase price for the QStar Transaction at the closing, and applied a deposit of \$20.0 million against the purchase price for the RRP Transaction at the closing. Other than the acquisition of the Midland Assets, there is no material relationship between the Company and QStar or RRP.

Item 7.01 Regulation FD Disclosure.

In accordance with General Instruction B.2. of Current Report on Form 8-K, the following information, including Exhibit 99.1, is deemed “furnished” and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), or otherwise subject to the liabilities of that section, nor shall such information and Exhibit be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On December 21, 2016, the Company issued a press release announcing the closing of the acquisition of the Midland Assets. A copy of the press release is furnished herewith as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit Number | Description |
|-----------------------|---|
| 99.1 | Press release of the Company dated December 21, 2016, entitled “SM Energy Announces Closing Of QStar Acquisition” |

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: December 22, 2016

By: /s/ David W. Copeland

David W. Copeland

Executive Vice President, General Counsel and
Corporate Secretary

FOR IMMEDIATE RELEASE

SM ENERGY ANNOUNCES CLOSING OF QSTAR ACQUISITION

DENVER, CO December 21, 2016 - SM Energy Company (NYSE: SM) announced today that the Company closed the previously announced acquisition of oil and natural gas assets in Howard and Martin Counties, Texas, from QStar LLC and a related entity for \$1.6 billion, before customary purchase price adjustments.

The Company estimates its Midland Basin footprint to approximate 87,600 net acres, including the pending acquisition of additional leasehold interests announced in early December 2016. The acquisition was funded predominantly with cash proceeds from recent asset divestitures and the issuance to the sellers of 13.4 million shares of SM Energy common stock. The effective date of the transaction is September 1, 2016. The Company intends to operate two rigs on this leasehold position during 2017, starting in the first quarter.

FORWARD LOOKING STATEMENTS

This release contains forward-looking statements within the meaning of securities laws. The words “anticipate,” “assume,” “believe,” “budget,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “plan,” “project,” “will” 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. General risk factors include the availability of and access to capital markets; the availability, proximity and capacity of gathering, processing and transportation facilities; the volatility and level of oil, natural gas, and natural gas liquids prices, including any impact on the Company’s asset carrying values or reserves arising from price declines; uncertainties inherent in projecting future rates of production or other results from drilling and completion activities; the imprecise nature of estimating oil and gas reserves; uncertainties inherent in projecting future drilling and completion activities, costs or results, including from pilot tests; the uncertainty of negotiations to result in an agreement or a completed transaction; the uncertain nature of acquisition, divestiture, joint venture, farm down or similar efforts and the ability to complete any such transactions; the uncertain nature of expected benefits from the actual or expected acquisition, divestiture, joint venture, farm down or similar efforts; the availability of additional economically attractive exploration, development, and acquisition opportunities for future growth and any necessary financings; unexpected drilling conditions and results; unsuccessful exploration and development drilling results; the availability of drilling, completion, and operating equipment and services; the risks associated with the Company’s commodity price risk management strategy; uncertainty regarding the ultimate impact of potentially dilutive securities; and other such matters discussed in the “Risk Factors” section of SM Energy’s 2015 Annual Report on Form 10-K, as such risk factors may be updated from time to time in the Company’s other periodic reports filed with the Securities and Exchange Commission. The forward-looking statements contained herein speak as of the date of this announcement. 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 is an independent energy company engaged in the acquisition, exploration, development, and production of crude oil, natural gas, and natural gas liquids in onshore North America. SM Energy routinely posts important information about the Company on its website. For more information about SM Energy, please visit its website at www.sm-energy.com.

INVESTOR CONTACT:

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