

## FORM 4

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934  
or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person * <u>Pugh Stephen C</u>  (Last) (First) (Middle) 1775 SHERMAN STREET SUITE 1200  (Street) DENVER CO 80203  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>SM Energy Co [ SM ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner Officer (give title below) Other (specify below) <u>Sr. VP &amp; Regional Manager</u>
	3. Date of Earliest Transaction (Month/Day/Year) 08/01/2011	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, \$.01 Par Value	08/01/2011		M <sup>(1)</sup>		4,369	A	(1)	11,437	D	
Common Stock, \$.01 Par Value	08/01/2011		F		1,418	D	\$75.56	10,019	D	
Common Stock, \$.01 Par Value	08/01/2011		M		1,357	A	(2)	11,376	D	
Common Stock, \$.01 Par Value	08/01/2011		F		440	D	\$75.56	10,936	D	

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

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Performance Share Award	(1)	08/01/2011		M <sup>(1)</sup>		4,369		08/01/2011 <sup>(1)</sup>	08/01/2011 <sup>(1)</sup>	Common Stock	4,369	\$0 <sup>(1)</sup>	0	D	
Restricted Stock Units	(2)	08/01/2011		M		1,357		08/01/2011	08/01/2011	Common Stock	1,357	\$0	2,714	D	

## Explanation of Responses:

1. On August 1, 2011, the issuer issued 4,369 shares of common stock to the reporting person in a settlement conversion of a performance share award (the "PSA") reported in a Form 4 for the reporting person filed on July 29, 2011. The PSA represented the right to receive, upon the settlement of the PSA, the determined number of earned shares of the issuer's common stock based on the achievement of performance criteria, to the extent that the PSA had vested under separate employment service vesting provisions. The PSA became fully vested and was settled in accordance with its terms on 08/01/2011.

2. Each restricted stock unit represents a contingent right to receive one share of stock. The restricted stock unit grants vests as follows: 679 shares on 8/1/10, 1,357 shares on 8/1/11 and 2,714 shares on 8/1/12. The vested shares will be issued to the reporting person on the vesting dates, at which time all restrictions on the vested shares will lapse.

## Remarks:

Karin M. Writer (Attorney-In-Fact)

08/02/2011

\*\* Signature of Reporting Person

Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.