

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>Ottoson Javan D</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) Exec VP & COO |
| | 3. Date of Earliest Transaction (Month/Day/Year) 08/01/2012 | |
| | 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 | 08/01/2012 | | M ⁽¹⁾ | | 67,500 | A | (1) | 94,272 | D | |
| Common Stock, \$.01 Par Value | 08/01/2012 | | F | | 27,662 | D | \$47.3 | 66,610 | D | |
| Common Stock, \$.01 Par Value | 08/01/2012 | | M | | 6,428 | A | (2) | 73,038 | D | |
| Common Stock, \$.01 Par Value | 08/01/2012 | | F | | 1,998 | D | \$47.3 | 71,040 | 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 | Amount or Number of Shares | | | | |
| Performance Share Award | (1) | 08/01/2012 | | M ⁽¹⁾ | | | 67,500 | 08/01/2012 ⁽¹⁾ | 08/01/2012 ⁽¹⁾ | Common Stock | 67,500 | \$0 ⁽¹⁾ | 0 | D | |
| Restricted Stock Units | (2) | 08/01/2012 | | M | | | 6,428 | 08/01/2012 | 08/01/2012 | Common Stock | 6,428 | \$0 | 0 | D | |

Explanation of Responses:

1. On August 1, 2012, the issuer issued 67,500 shares of common stock to the reporting person to settle a grant of performance share awards (the "PSAs") reported in a Form 4 for the reporting person filed on July 24, 2012. The PSAs represented the right to receive, upon the settlement of the PSAs, the determined number of earned shares of the issuer's common stock based on the achievement of performance criteria, to the extent that the PSAs had vested under separate employment service vesting provisions. The PSAs became fully vested and were settled in accordance with their terms on 08/01/2012.

2. Each restricted stock unit represents a contingent right to receive one share of stock. The restricted stock unit grants vested as follows: 1,608 shares on 8/1/10, 3,214 shares on 8/1/11 and 6,428 shares on 8/1/12. The vested shares were issued to the reporting person on the vesting dates, at which time all restrictions on the vested shares lapsed.

Remarks:

Karin M. Writer (Attorney-In-Fact)

08/03/2012

** 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.