

Pugh Stephen C  
Form 4  
August 03, 2011

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Pugh Stephen C

(Last) (First) (Middle)  
1775 SHERMAN STREET, SUITE 1200  
(Street)

DENVER, CO 80203

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
SM Energy Co [SM]

3. Date of Earliest Transaction (Month/Day/Year)  
08/01/2011

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Sr. VP & Regional Manager

6. Individual or Joint/Group Filing (Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

**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 or Price		
Common Stock, \$.01 Par Value	08/01/2011		M <sup>(1)</sup>		4,369 A <u>11</u>	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 <u>11</u>	11,376	D
Common Stock, \$.01	08/01/2011		F		440 D \$ 75.56	10,936	D

Par Value

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

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**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 Underlying Security (Instr. 3 and 4)
Performance Share Award	<u>(1)</u>	08/01/2011		M <sup>(1)</sup>	4,369	08/01/2011 <sup>(1)</sup> 08/01/2011 <sup>(1)</sup>	Common Stock
Restricted Stock Units	<u>(2)</u>	08/01/2011		M	1,357	08/01/2011 08/01/2011	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Pugh Stephen C 1775 SHERMAN STREET SUITE 1200 DENVER, CO 80203			Sr. VP & Regional Manager	

## Signatures

Karin M. Writer  
(Attorney-In-Fact) 08/02/2011

\_\_Signature of Reporting Person Date

## Explanation of Responses:

- \* 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).
- (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,

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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.

Each restricted stock unit represents a contingent right to receive one share of stock. The restricted stock unit grants vests as follows: 679 (2) 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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.