

SM Energy Co
Form 424B3
December 12, 2011

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[TABLE OF CONTENTS](#)

[Table of Contents](#)

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-177997

[PROSPECTUS](#)

\$350,000,000

SM ENERGY COMPANY

Offer to Exchange

**All outstanding 6⁵/₈% senior notes due 2019
(CUSIP Nos. 78454L AA8 and U83067 AA3)
for new 6⁵/₈% senior notes due 2019
that have been registered under the Securities Act of 1933**

*This exchange offer will expire at 5:00 p.m., New York City time,
on January 11, 2012, unless extended.*

The Exchange Notes:

The terms of the 6⁵/₈% senior notes due 2019 to be issued in the exchange offer (the "exchange notes") are substantially identical to the terms of the outstanding 6⁵/₈% senior notes due 2019 (the "outstanding notes"), except for the elimination of some transfer restrictions, registration rights and certain provisions regarding additional interest relating to the outstanding notes.

We are offering the exchange notes pursuant to a registration rights agreement that we entered into in connection with the issuance of the outstanding notes.

Material Terms of the Exchange Offer:

The exchange offer expires at 5:00 p.m., New York City time, on January 11, 2012, unless extended.

Upon expiration of the exchange offer, all outstanding notes that are validly tendered and not validly withdrawn will be exchanged for an equal principal amount of the applicable series of exchange notes.

You may withdraw tendered outstanding notes at any time at or prior to the expiration of the exchange offer.

The exchange notes will be issued in minimum denominations of \$2,000 and any integral multiple of \$1,000 and the exchange offer is subject to certain other conditions.

The exchange of the exchange notes for outstanding notes should not be a taxable exchange for U.S. federal income tax purposes.

There is no existing public market for the outstanding notes or the exchange notes.

Each broker-dealer that receives exchange notes for its own account in the exchange offer must acknowledge that it acquired the outstanding notes for its own account as a result of market-making or other trading activities and must agree that it will deliver a prospectus meeting the requirements of the Securities Act of 1933, as amended, in connection with any resale of the exchange notes. A participating broker-dealer may use this prospectus, as it may be amended or supplemented from time to time, in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired as a result of market-making activities or other trading activities.

See "Risk Factors" beginning on page 17 for a discussion of the factors you should consider in connection with the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is December 12, 2011.

Table of Contents

TABLE OF CONTENTS

<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>ii</u>
<u>INCORPORATION BY REFERENCE</u>	<u>ii</u>
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	<u>iii</u>
<u>GLOSSARY OF OIL AND NATURAL GAS TERMS</u>	<u>v</u>
<u>PROSPECTUS SUMMARY</u>	<u>1</u>
<u>SUMMARY OF EXCHANGE OFFER</u>	<u>4</u>
<u>SUMMARY OF THE TERMS OF EXCHANGE NOTES</u>	<u>9</u>
<u>SUMMARY CONDENSED CONSOLIDATED HISTORICAL FINANCIAL DATA</u>	<u>12</u>
<u>SUMMARY RESERVE, PRODUCTION AND OPERATING DATA</u>	<u>14</u>
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	<u>16</u>
<u>RISK FACTORS</u>	<u>17</u>
<u>USE OF PROCEEDS</u>	<u>37</u>
<u>THE EXCHANGE OFFER</u>	<u>38</u>
<u>DESCRIPTION OF NOTES</u>	<u>45</u>
<u>BOOK-ENTRY; DELIVERY AND FORM</u>	<u>102</u>
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS</u>	<u>105</u>
<u>PLAN OF DISTRIBUTION</u>	<u>107</u>
<u>LEGAL MATTERS</u>	<u>108</u>
<u>EXPERTS</u>	<u>108</u>

You should rely only on the information contained in this prospectus and the documents incorporated by reference in this prospectus. We and the initial purchasers have not authorized any person to provide you with any information or represent anything about us or this offering that is not contained in this prospectus or incorporated by reference in this prospectus. If given or made, any such other information or representation should not be relied upon as having been authorized by us or the initial purchasers. We are not, and the initial purchasers are not, making an offer to sell the exchange notes in any jurisdiction where an offer or sale is not permitted.

You should not assume that the information contained in this prospectus or in any document incorporated by reference in this prospectus is accurate as of any date other than the date on the front of those documents.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act and we file annual, quarterly and other reports and other information with the Securities and Exchange Commission, or the SEC. You may read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street NE, Washington, D.C. 20549-2521. Please call 1-800-732-0330 for further information on the operation of the public reference room. Our SEC filings are also available on the SEC's web site at <http://www.sec.gov>. Unless specifically listed under "Incorporation by Reference" below, the information contained on the SEC web site is not intended to be incorporated by reference in this prospectus and you should not consider that information a part of this prospectus. You can also obtain information about us at the offices of the New York Stock Exchange, 20 Broad Street, 17th Floor, New York, New York 10005.

We make available free of charge on or through our Internet website, <http://sm-energy.com/>, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Information contained on our Internet website is not part of this prospectus and does not constitute a part of this prospectus.

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. We will provide this information and any and all of the documents referred to herein, including the registration rights agreement and the indenture for the notes, which are summarized in this prospectus, without charge to each person to whom a copy of this prospectus has been delivered, who makes a written or oral request at the following address or telephone number:

Investor Relations
SM Energy Company
1775 Sherman Street, Suite 1200
Denver, Colorado 80203
(303)-861-8140
information@sm-energy.com

In order to ensure timely delivery, you must request the information no later than five business days before the expiration of the exchange offer.

INCORPORATION BY REFERENCE

We "incorporate by reference" in this prospectus the following documents that we have previously filed with the SEC. This means that we are disclosing important information to you without actually including the specific information in this prospectus by referring you to other documents that we have filed separately with the SEC. The information incorporated by reference is an important part of this prospectus. Information that we later provide to the SEC, and which is deemed "filed" with the SEC, will automatically update information that we previously filed with the SEC, and may replace information in this prospectus and information that we previously filed with the SEC:

our Annual Report on Form 10-K for the year ended December 31, 2010, filed with the SEC on February 25, 2011 (our "2010 10-K");

the information included in our definitive proxy statement on Schedule 14A filed with the SEC on April 12, 2011, under the headings "Proposal 1 Election of Directors," "Corporate Governance," "Section 16(a) Beneficial Ownership Reporting Compliance," "Executive Compensation," "Director Compensation," "Security Ownership of Certain Beneficial Owners

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Table of Contents

and Management," "Certain Relationships and Related Transactions," "Independent Registered Public Accounting Firm" and "Audit Committee Preapproval Policy and Procedures";

our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011, filed with the SEC on May 3, 2011 (our "2011 First Quarter 10-Q"), June 30, 2011, filed with the SEC on August 3, 2011 (our "2011 Second Quarter 10-Q") and September 30, 2011, filed with the SEC on November 2, 2011 (our "2011 Third Quarter 10-Q," and collectively with our 2011 First Quarter 10-Q and our 2011 Second Quarter 10-Q, our "2011 10-Qs"); and

our Current Reports on Form 8-K filed with the SEC on February 1, 2011, February 10, 2011, March 24, 2011, April 4, 2011, April 11, 2011, May 27, 2011, June 3, 2011, June 14, 2011, July 5, 2011, August 5, 2011, October 3, 2011, October 18, 2011 and November 10, 2011.

We also incorporate by reference each of the documents that we file with the SEC (excluding those filings made under Items 2.02 or 7.01 of Form 8-K and corresponding information furnished under Item 9.01 of Form 8-K or included as an exhibit, or other information furnished to the SEC) under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act on or after the date of the initial registration statement and prior to effectiveness of the registration statement and on or after the date of this prospectus and prior to the completion of the exchange offer. Any statements made in such documents will automatically update and supersede the information contained in this prospectus, and any statements made in this prospectus update and supersede the information contained in past SEC filings incorporated by reference into this prospectus.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information in this prospectus, including information in documents incorporated by reference, includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, that address activities, events, or developments with respect to our financial condition, results of operations, or economic performance that we expect, believe, or anticipate will or may occur in the future, or that address plans and objectives of management for future operations, are forward-looking statements. The words "anticipate," "assume," "believe," "budget," "estimate," "expect," "forecast," "intend," "plan," "project," "will," and similar expressions are intended to identify forward-looking statements. Forward-looking statements appear in a number of places and include statements about such matters as:

the amount and nature of future capital expenditures and the availability of liquidity and capital resources to fund capital expenditures;

the drilling of wells and other exploration and development activities and plans, as well as possible future acquisitions;

the possible divestiture or farm-down of, or joint venture relating to, certain properties;

proved reserve estimates and the estimates of both future net revenues and the present value of future net revenues associated with those proved reserve estimates;

future crude oil, natural gas and associated liquids production estimates;

our outlook on future crude oil, natural gas and NGL prices, well costs, and service costs;

cash flows, anticipated liquidity, and the future repayment of debt;

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business strategies and other plans and objectives for future operations, including plans for expansion and growth of operations or to defer capital investment, and our outlook on our future financial condition or results of operations; and

iii

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Table of Contents

other similar matters such as those discussed in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of our 2010 10-K and our 2011 10-Qs.

Our forward-looking statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments, and other factors that we believe are appropriate under the circumstances. These statements are subject to a number of known and unknown risks and uncertainties which may cause our actual results and performance to be materially different from any future results or performance expressed or implied by the forward-looking statements. These risks are described in this prospectus under "Risk Factors" or incorporated by reference herein and include such factors as:

the volatility of crude oil, natural gas and NGL prices, and the affect it may have on our profitability, financial condition, cash flows, access to capital, and ability to grow;

the continued weakness in economic conditions and uncertainty in financial markets;

our ability to replace reserves in order to sustain production;

our ability to replace reserves in order to sustain production;

our ability to raise the substantial amount of capital that is required to replace our reserves;

our ability to compete against competitors that have greater financial, technical, and human resources;

the imprecise estimations of our actual quantities and present values of proved crude oil, natural gas, and NGL reserves;

the uncertainty in evaluating recoverable reserves and other expected benefits or liabilities;

the possibility that exploration and development drilling may not result in commercially producible reserves;

the possibility that our planned drilling in existing or emerging resource plays using some of the latest available horizontal drilling and completion techniques is subject to drilling and completion risks and may not meet our expectations for reserves or production;

the uncertainties associated with our reported anticipated divestiture, joint venture, farm-down, and similar transactions with respect to certain assets, including whether such transactions will be consummated or completed in the form or timing and for the value that we anticipate;

the uncertainties associated with enhanced recovery methods;

our hedging activities may result in financial losses or may limit the prices that we receive for oil, natural gas, and NGL sales;

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the inability of one or more of our customers or hedge counterparties to meet their obligations;

price declines or unsuccessful exploration efforts result in write-downs of our asset carrying values;

the impact that lower crude oil, natural gas, or NGL prices could have on our ability to borrow under our credit facility;

the possibility that our amount of debt may limit our ability to obtain financing for acquisitions, make us more vulnerable to adverse economic conditions, and make it more difficult for us to make payments on our debt;

operating and environmental risks and hazards that could result in substantial losses;

Table of Contents

complex laws and regulations, including environmental regulations, that result in substantial costs and other risks;

the availability and capacity of gathering, transportation, processing, and/or refining facilities;

our ability to sell and/or receive market prices for our crude oil, natural gas, and NGLs;

new technologies may cause our current exploration and drilling methods to become obsolete; and

litigation, environmental matters, the potential impact of government regulations, and the use of management estimates regarding such matters.

We caution you that forward-looking statements are not guarantees of future performance and that actual results or performance may be materially different from those expressed or implied in the forward-looking statements. The forward-looking statements in this prospectus speak as of the date hereof. Although we may from time to time voluntarily update our prior forward-looking statements, we disclaim any commitment to do so except as required by securities laws.

GLOSSARY OF OIL AND NATURAL GAS TERMS

The oil and natural gas terms defined in this section are used in this prospectus. The definitions of the terms developed reserves, field, proved reserves, and undeveloped reserves have been abbreviated from the respective definitions under Rule 4-10(a) of Regulation S-X promulgated by the SEC. The entire definitions of those terms under Rule 4-10(a) of Regulation S-X can be located through the SEC's website at <http://www.sec.gov>.

Bbl. One stock tank barrel, or 42 U.S. gallons liquid volume, used in reference to oil or other liquid hydrocarbons.

Bcf. Billion cubic feet, used in reference to natural gas.

Bcfe. Billion cubic feet of natural gas equivalent. Natural gas equivalents are determined using the ratio of six Mcf of natural gas (including natural gas liquids) to one Bbl of oil.

Btu. One British thermal unit, the quantity of heat required to raise the temperature of a one-pound mass of water by one degree Fahrenheit.

Developed reserves. Reserves that can be expected to be recovered: (i) through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and (ii) through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Development well. A well drilled within the proved area of an oil or natural gas reservoir to the depth of a stratigraphic horizon known to be productive.

Exploratory well. A well drilled to find and produce oil or natural gas in an unproved area, to find a new reservoir in a field previously found to be productive of oil or natural gas in another reservoir, or to extend a known reservoir beyond its known horizon.

Field. An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature or stratigraphic condition.

Formation. A succession of sedimentary beds that were deposited under the same general geologic conditions.

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Table of Contents

MBbl. One thousand barrels of oil or other liquid hydrocarbons.

MMBbl. One million barrels of oil or other liquid hydrocarbons.

Mcf. One thousand cubic feet, used in reference to natural gas.

Mcf. One thousand cubic feet of natural gas equivalent. Natural gas equivalents are determined using the ratio of six Mcf of natural gas (including natural gas liquids) to one Bbl of oil.

MMBtu. One million British thermal units.

MMcf. One thousand Mcf.

MMcfe. One million cubic feet of natural gas equivalent. Natural gas equivalents are determined using the ratio of six Mcf of natural gas (including natural gas liquids) to one Bbl of oil.

NGLs. The combination of ethane, propane, butane and natural gasolines that when removed from natural gas become liquid under various levels of higher pressure and lower temperature.

NYMEX. New York Mercantile Exchange.

PV-10 value. The present value of estimated future gross revenue to be generated from the production of estimated net proved reserves, net of estimated production and future development costs, based on prices used in estimating the proved reserves and costs in effect as of the date indicated (unless such costs are subject to change pursuant to contractual provisions), without giving effect to non-property related expenses such as general and administrative expenses, debt service, future income tax expenses, or depreciation, depletion, and amortization, discounted using an annual discount rate of ten percent. While this measure does not include the effect of income taxes as it would in the use of the standardized measure of discounted future net cash flows calculation, it does provide an indicative representation of the relative value of the Company on a comparative basis to other companies and from period to period.

Proved reserves. Those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined, and the price to be used is the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

Recompletion. The completion in an existing wellbore in a formation other than that in which the well has previously been completed.

Standardized measure of discounted future net cash flows. The discounted future net cash flows relating to proved reserves based on prices used in estimating the reserves, year-end costs, and statutory tax rates, and a ten percent annual discount rate. The information for this calculation is included in the note regarding disclosures about oil and gas producing activities contained in the Notes to Consolidated Financial Statements included in this prospectus.

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Table of Contents

Undeveloped acreage. Lease acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and natural gas, regardless of whether such acreage contains estimated net proved reserves.

Undeveloped reserves. Reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. The applicable SEC definition of undeveloped reserves provides that undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time.

Table of Contents

SUMMARY

This summary represents highlights of information contained elsewhere or incorporated by reference in this prospectus. Because it is a summary, it is not complete and does not contain all the information that is important to you. You should carefully read the entire prospectus, including the "Risk Factors" section included herein, and our consolidated financial statements and related notes incorporated by reference into this prospectus. As used in this prospectus, all references to "SM Energy," "we," "our," "us," and "the Company" and all similar references are to SM Energy Company and its consolidated subsidiaries, unless otherwise noted or the context otherwise requires. Certain oil and natural gas industry terms used in this prospectus are defined in the "Glossary of Oil and Natural Gas Terms" beginning on page v of this prospectus.

Certain information with respect to our estimated proved reserves referred to and incorporated by reference herein is based in part upon engineering reports of Ryder Scott Company, L.P. and Netherland, Sewell & Associates, Inc., each a firm of independent petroleum engineers. Such information is included and incorporated herein in reliance on the authority of such firms as experts in petroleum engineering.

SM Energy Company

We are an independent energy company engaged in the acquisition, exploration, exploitation, development, and production of crude oil, natural gas, and NGLs in onshore North America. Our assets include leading positions in the Eagle Ford shale and Bakken/Three Forks resource plays, as well as meaningful positions in the Granite Wash, Haynesville shale, Niobrara chalk, and Woodford shale resource plays. We have built a portfolio of onshore properties in the contiguous United States primarily through early entrance into existing and emerging resource plays. This portfolio is comprised of properties with established production and reserves, prospective drilling opportunities, and unconventional resource prospects. We believe our strategy allows for stable and predictable production and reserves growth. Furthermore, by entering these plays early, we believe that we can capture larger resource potential at lower costs.

Our operations, production, and proved reserves are focused in five core operating areas in the United States:

Our Eagle Ford shale program is in our South Texas & Gulf Coast region, which consists primarily of onshore Texas and Louisiana properties. Our operated and non-operated Eagle Ford shale program is our most significant asset and currently our exclusive focus in our South Texas & Gulf Coast region. Our Eagle Ford shale program accounts for approximately 40.9% of our consolidated third quarter 2011 production.

Our Bakken/Three Forks program is in our Rocky Mountain region, which is comprised primarily of properties in the Williston Basin in eastern Montana and western North Dakota. Our recent activity in this region has focused primarily on the development of assets targeting the Bakken and Three Forks formations, primarily in McKenzie and Divide Counties of North Dakota. Our Bakken and Three Forks program accounts for approximately 7.0% of our consolidated third quarter 2011 production.

Our Granite Wash program is in our Mid-Continent region, which is comprised of properties in the Anadarko Basin of Oklahoma and the Texas Panhandle. Our current activity in this play is focused on horizontal exploitation of the oilier and richer gas intervals of this multi-pay basin. The Mid-Continent region also manages our Woodford shale program in the Arkoma Basin.

Our ArkLaTex region spans eastern Texas, northern Louisiana and southern Arkansas. We have exposure to a number of natural gas-focused plays in this region, including the Haynesville shale, the Cotton Valley sandstone, and the James Lime interval. Our focus in recent years has been on the development of our Haynesville shale position in East Texas. Our current plan is to

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Table of Contents

achieve held by production status across our acreage position, which we believe we can achieve by the second half of 2012 with a one drilling rig program. This plan will allow us to hold not only our interests in the Haynesville shale, but also the Bossier shale, which we believe could have potential for commercial development.

Our Permian Basin region is comprised of assets in western Texas and eastern New Mexico. The focus in this region recently has been on testing the down spacing potential of our operated Wolfberry assets, and a number of exploration concepts targeting the Mississippian and Wolfcamp intervals in the basin.

Business Strategy

Our business strategy is to increase net asset value through attractive oil and gas investment activities, while maintaining a conservative capital structure and optimizing our capital expenditures. We focus our efforts on the exploration for and development of onshore, lower-risk resource plays in North America. We believe our inventory of resource plays is well suited for lower-risk reserve and production growth due to the more predictable geologic profile of these types of assets. Furthermore, several of our assets produce significant volumes of crude oil and NGLs that limit our exposure to the current low natural gas price environment. Our strategy is based on the following:

leveraging our core competencies in replicating resource play success in the drilling, completion, and development of crude oil, natural gas, and NGL reserves;

focusing on resource plays with lower geologic risk and high liquids content;

exploiting our legacy assets and optimizing our asset base;

selectively acquiring leasehold positions in new and emerging resource plays; and

maintaining a strong balance sheet while funding the growth of our business.

Business Strengths

We believe that the following strengths allow us to successfully execute our business strategy:

Quality positions in attractive unconventional plays. We have meaningful acreage positions in attractive unconventional resource plays in North America. Assuming the consummation of our previously announced transaction with Mitsui E&P Texas LP, a subsidiary of Mitsui & Co., Ltd., we would have approximately 196,000 net acres in the Eagle Ford shale play in south Texas, approximately three-quarters of which we operate with a nearly 100% working interest. In the North Dakota portion of the Williston Basin, we have approximately 204,000 net acres that are prospective in the Bakken/Three Forks formations. We believe that these two plays are large enough to allow us to gain economies of scale and improve our operational efficiency. Additionally, we have attractive positions in the Granite Wash play in the Anadarko basin of western Oklahoma and the Texas Panhandle, as well as positions in the Woodford shale, Haynesville shale, and Niobrara chalk. We believe these programs provide us with a large, multi-year inventory of drilling projects with lower geological risk from which we can build development programs that optimize our capital investments.

Significant oil and high Btu gas reserves and production. A large portion of our Eagle Ford shale acreage generates production that contains richer, high Btu natural gas and condensate, which improve the economics of this asset. Additionally, our Bakken/Three Forks assets produce crude oil with some associated natural gas. We also have positions in other liquid-rich plays, such as the Granite Wash in the Anadarko Basin and the Wolfberry tight oil play in the Permian Basin of west Texas.

Table of Contents

Long track record of financial discipline and conservatism. We strive to maintain a strong balance sheet with an appropriate level of liquidity to fund our business. At September 30, 2011, and after giving effect to the issuance and sale on November 8, 2011 of the \$350.0 million principal amount of our 6.50% Senior Notes, we would have had approximately \$1.4 billion of liquidity in the form of cash and cash equivalents and additional borrowing capacity under our credit facility. We seek to consistently hedge approximately 50% of our expected volumes from estimated proved developed producing reserves to mitigate the effect of volatility of crude oil, gas and NGL prices on our cash flows. We maintain a diversified group of hedge counterparties, all of whom are lenders under our credit facility.

Experienced management team with leading local operations teams. Our executive management team averages over 25 years of experience in the industry. At the operational level, our regional operations are run by individuals who have all worked on large-scale projects at larger exploration and production companies. In order to attempt to maximize local geological knowledge and reduce operational risk, we maintain regional offices in Billings, Montana; Houston, Texas; Midland, Texas; and Tulsa, Oklahoma. Each office is staffed with a full complement of geologists, geophysicists, engineers, and landmen who have extensive experience in the region or basin where they work.

Recent Developments

6.50% Senior Notes. On November 8, 2011, we issued \$350.0 million in aggregate principal amount of 6.50% Senior Notes (the "6.50% Senior Notes") in a private placement. These notes were issued at par value and have a maturity date of November 15, 2021. We used the net proceeds from this offering of approximately \$343.1 million to repay outstanding borrowings under our credit facility and for general corporate purposes. General corporate purposes may in the future include funding the redemption of \$287.5 million principal amount of our 3.50% Senior Convertible Notes, which are able to be redeemed on or after April 6, 2012. However, we may choose to use the proceeds for other corporate purposes depending on market conditions and other factors.

Corporate Information

We were founded in 1908, incorporated in 1915, and have been a publicly-traded entity since our initial public offering in 1992. Our principal executive offices are located at 1775 Sherman Street, Suite 1200, Denver, Colorado 80203. Our telephone number is (303) 861-8140. Our website address is www.sm-energy.com. Information included or referred to on our website is not part of this prospectus.

Table of Contents

SUMMARY OF EXCHANGE OFFER

The following is a summary of the principal terms of the exchange offer. A more detailed description is contained in the section "The Exchange Offer." The term "outstanding notes" refers to our outstanding \$350 million 6⁵/₈% senior notes due 2019, all of which were issued on February 7, 2011. The term "exchange notes" refers collectively to our \$350,000,000 6⁵/₈% senior notes due 2019 offered by this prospectus, which have been registered under the Securities Act of 1933, as amended (the "Securities Act"). The term "notes" refers collectively to the outstanding notes and the exchange notes offered in the exchange offer. The term "indenture" refers to the indenture that governs both the outstanding notes and the exchange notes.

The Exchange Offer

We are offering to exchange \$1,000 principal amount of exchange notes, which have been registered under the Securities Act, for each \$1,000 principal amount of outstanding notes, subject to a minimum exchange of \$2,000. As of the date of this prospectus, \$350.0 million aggregate principal amount of the outstanding notes is outstanding. We issued the outstanding notes in a private transaction for resale pursuant to Rule 144A and Regulation S of the Securities Act. The terms of the exchange notes are substantially identical to the terms of the outstanding notes, except that provisions relating to transfer restrictions, registration rights, and rights to increased interest in addition to the stated interest rate on the outstanding notes ("Additional Interest") will not apply to the exchange notes.

In order to exchange your outstanding notes for exchange notes, you must properly tender them at or before the expiration of the exchange offer.

Expiration Time

The exchange offer will expire at 5:00 p.m., New York City time, on January 11, 2012, unless the exchange offer is extended, in which case the expiration time will be the latest date and time to which the exchange offer is extended. See "The Exchange Offer Terms of the Exchange Offer; Expiration Time."

Conditions to the Exchange Offer

The exchange offer is subject to customary conditions, see "The Exchange Offer Conditions to the Exchange Offer." The exchange offer is not conditioned upon any minimum principal amount of outstanding notes being tendered.

Table of Contents

**Procedures for Tendering
Outstanding Notes**

Unless you comply with the procedures described under the caption "The Exchange Offer Procedures for Tendering Guaranteed Delivery," you must do one of the following on or prior to the expiration of the exchange offer to participate in the exchange offer:

tender your outstanding notes by using the book-entry transfer procedures described below and transmitting a properly completed and duly executed letter of transmittal, with any required signature guarantees, or an agent's message instead of the letter of transmittal, to the exchange agent. In order for a book-entry transfer to constitute a valid tender of your outstanding notes in the exchange offer, U.S. Bank National Association, as registrar and exchange agent, must receive a confirmation of book-entry transfer of your outstanding notes into the exchange agent's account at The Depository Trust Company prior to the expiration of the exchange offer. For more information regarding the use of book-entry transfer procedures, including a description of the required agent's message, please read the discussion under the caption "The Exchange Offer Procedures for Tendering Book-Entry Transfer"; or

tender your outstanding notes by sending the certificates for your outstanding notes, in proper form for transfer, a properly completed and duly executed letter of transmittal, with any required signature guarantees, and all other documents required by the letter of transmittal, to U.S. Bank National Association, as registrar and exchange agent, at the address listed under the caption "The Exchange Offer Exchange Agent."

Guaranteed Delivery Procedures

If you are a registered holder of the outstanding notes and wish to tender your outstanding notes in the exchange offer, but

the outstanding notes are not immediately available,
time will not permit your outstanding notes or other required documents to reach the exchange agent before the expiration of the exchange offer, or
the procedure for book-entry transfer cannot be completed prior to the expiration of the exchange offer,

then you may tender outstanding notes by following the procedures described under the caption "The Exchange Offer Procedures for Tendering Guaranteed Delivery."

Table of Contents

Special Procedures for Beneficial Owners

If you are a beneficial owner whose outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your outstanding notes in the exchange offer, you should promptly contact the person in whose name the outstanding notes are registered and instruct that person to tender on your behalf.

If you wish to tender in the exchange offer on your own behalf, prior to completing and executing the letter of transmittal and delivering the certificates for your outstanding notes, you must either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the person in whose name the outstanding notes are registered.

Withdrawal of Tenders

You may withdraw any outstanding notes tendered in the exchange offer at any time prior to 5:00 p.m., New York City time, on January 11, 2012. If we decide for any reason not to accept any outstanding notes tendered for exchange, the outstanding notes will be returned to the registered holder at our expense promptly after the expiration or termination of the exchange offer. In the case of outstanding notes tendered by book-entry transfer into the exchange agent's account at The Depository Trust Company, any withdrawn or unaccepted outstanding notes will be credited to the tendering holder's account at The Depository Trust Company. For further information regarding the withdrawal of tendered outstanding notes, please read "The Exchange Offer Withdrawal Rights."

Acceptance of Outstanding notes and Delivery of Exchange Notes

Upon consummation of the exchange offer, we will accept any and all outstanding notes that are properly tendered in the exchange offer and not withdrawn at or prior to the expiration time. The exchange notes issued pursuant to the exchange offer will be delivered promptly after acceptance of the tendered outstanding notes. See "The Exchange Offer Terms of the Exchange Offer; Expiration Time."

Registration Rights Agreement

We are making the exchange offer pursuant to the registration rights agreement that we entered into on February 7, 2011, with the initial purchasers of the outstanding notes.

Table of Contents

Resales of Exchange Notes

We believe that the exchange notes issued in the exchange offer may be offered for resale, resold, or otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act, provided that:

you are not an "affiliate" of ours;

the exchange notes you receive pursuant to the exchange offer are being acquired in the ordinary course of your business;

you have no arrangement or understanding with any person to participate in the distribution of the exchange notes issued to you in the exchange offer;

if you are not a broker-dealer, you are not engaged in, and do not intend to engage in, a distribution of the exchange notes issued in the exchange offer; and

if you are a broker-dealer, you will receive the exchange notes for your own account, the outstanding notes were acquired by you as a result of market-making or other trading activities, and you will deliver a prospectus when you resell or transfer any exchange notes issued in the exchange offer. See "Plan of Distribution" for a description of the prospectus delivery obligations of broker-dealers in the exchange offer.

If you do not meet these requirements, your resale of the exchange notes must comply with the registration and prospectus delivery requirements of the Securities Act.

Our belief is based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties. The staff of the SEC has not considered this exchange offer in the context of a no-action letter, and we cannot assure you that the staff of the SEC would make a similar determination with respect to this exchange offer.

If our belief is not accurate and you transfer an exchange note without delivering a prospectus meeting the requirements of the federal securities laws or without an exemption from these laws, you may incur liability under the federal securities laws. We do not and will not assume, or indemnify you against, this liability. See "The Exchange Offer Consequences of Exchanging Outstanding Notes."

Table of Contents

**Consequences of Failure to
Exchange Outstanding Notes**

If you do not exchange your outstanding notes in the exchange offer, your outstanding notes will continue to be subject to the restrictions on transfer provided in the outstanding notes and in the indenture. In general, the outstanding notes may not be offered or sold unless registered or sold in a transaction exempt from registration under the Securities Act and applicable state securities laws. If a substantial amount of the outstanding notes is exchanged for a like amount of the exchange notes, the liquidity and the trading market for your untendered outstanding notes could be adversely affected. See "The Exchange Offer Consequences of Failure to Exchange Outstanding Notes."

Exchange Agent

The exchange agent for the exchange offer is U.S. Bank, National Association. For additional information, see "The Exchange Offer The Exchange Agent" and the accompanying letter of transmittal.

**Material U.S. Federal Income Tax
Considerations**

The exchange of your outstanding notes for exchange notes should not be a taxable exchange for United States federal income tax purposes. **You should consult your own tax advisor as to the tax consequences to you of the exchange offer, as well as tax consequences of the ownership and disposition of the exchange notes.** For additional information, see "Material U.S. Federal Income Tax Considerations."

Table of Contents

SUMMARY OF THE TERMS OF EXCHANGE NOTES

The following summary contains basic information about the exchange notes and is not intended to be complete. For a more complete understanding of the notes, please refer to the section entitled "Description of Notes" in this prospectus.

Issuer	SM Energy Company
Exchange Notes	\$350 million aggregate principal amount of 6 ⁵ / ₈ % senior notes due 2019
Maturity Date	February 15, 2019
Interest Payment Dates	Interest is payable on the exchange notes on February 15 and August 15 of each year, beginning on February 15, 2012.
Interest	Interest on the exchange notes will accrue at a rate of 6.625% per annum on the principal amount, from the most recent date on which interest was paid on the outstanding notes.
Ranking	The exchange notes will be our senior unsecured obligations and will: - rank equally in right of payment with all of our existing and future senior indebtedness; - rank senior in right of payment to all of our future subordinated indebtedness; - be structurally subordinated in right of payment to all of our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness (including all of our borrowings under our credit facility); and - be effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of our subsidiaries, except to the extent that our subsidiaries guarantee the exchange notes as provided herein. At September 30, 2011, after giving effect to the issuance and sale of our 6.50% Senior Notes and the application of the net proceeds therefrom, we would have had total consolidated indebtedness of \$987.5 million, consisting of \$287.5 million of our outstanding 3.50% Senior Convertible Notes due 2027 (our "3.50% Senior Convertible Notes"); \$350.0 million of our outstanding 6.50% Senior Notes due 2021, and \$350.0 million of the outstanding notes to be exchanged hereunder, and we would have been able to incur an additional \$999.4 million of secured indebtedness under our credit facility.

Table of Contents

Guarantees

The exchange notes initially will not be guaranteed by any of our subsidiaries. Currently, our subsidiaries do not guarantee our indebtedness under our credit facility. Our subsidiaries generated less than 5% of our revenues for the nine months ended September 30, 2011, and held less than 0.5% of our consolidated total assets as of such date. Our subsidiaries may in the future guarantee our obligations under the exchange notes if they guarantee certain of our other indebtedness as set forth under "Description of Notes Certain Covenants Future Subsidiary Guarantors."

Optional Redemption

We will have the option to redeem the exchange notes, in whole or in part, at any time on or after February 15, 2015, in each case at the redemption prices described in this prospectus under the heading "Description of Notes Optional Redemption," together with any accrued and unpaid interest to the date of redemption.

Prior to February 15, 2015, we may redeem the exchange notes, in whole or in part, at a "make-whole" redemption price described under "Description of Notes Optional Redemption," together with any accrued and unpaid interest to the date of redemption.

In addition, prior to February 15, 2014, we may, at any time or from time to time, redeem up to 35% of the exchange notes with the proceeds of certain equity offerings at the price described in this prospectus under the heading "Description of Notes Optional Redemption," together with any accrued and unpaid interest to the date of redemption.

Certain Covenants

We will issue the exchange notes under an indenture with U.S. Bank National Association, as trustee. The indenture contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

- incur additional debt;
- make certain dividends or pay dividends or distributions on our capital stock or purchase, redeem or retire capital stock;
- sell assets, including capital stock of our restricted subsidiaries;
- restrict dividends or other payments of our restricted subsidiaries;
- create liens that secure debt;
- enter into transactions with affiliates; and
- merge or consolidate with another company.

These covenants are subject to a number of important limitations and exceptions. See "Description of Notes Certain Covenants." However, most of the covenants will terminate if both Standard & Poor's Ratings Services and Moody's Investors Service, Inc. assign the exchange notes an investment grade rating and no default exists with respect to the exchange notes.

Table of Contents

Change of Control Offer	Upon the occurrence of a change of control, holders of the exchange notes will have the right to require us to repurchase all or a portion of the exchange notes at a price equal to 101% of the principal amount, together with any accrued and unpaid interest, if any, to the date of repurchase.
Form and Denominations	The exchange notes will be issued in minimum denominations of \$2,000 and any integral multiple of \$1,000.
Governing Law	The indenture provides that it and the exchange notes will be governed by, and construed in accordance with, the laws of the State of New York.
Trading	The exchange notes will not be listed on any securities exchange or included in any automated quotation system. The exchange notes will be new securities for which there is currently no public market.
Use of Proceeds	We are making the exchange offer to satisfy our obligations under the registration rights agreement. We will not receive any cash proceeds from the exchange of the exchange notes for the outstanding notes pursuant to the exchange offer. For more information about our use of proceeds, see "Use of Proceeds."
Risk Factors	See "Risk Factors" and other information included or incorporated by reference in this prospectus for a discussion of the factors you should carefully consider before deciding to invest in the exchange notes.

Table of Contents

SUMMARY CONDENSED CONSOLIDATED HISTORICAL FINANCIAL DATA

We derived the following summary selected historical financial data as of December 31, 2010 and 2009, and for each of the three years in the period ended December 31, 2010, from our audited financial statements, which are incorporated by reference herein and should be read in conjunction with the Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8, "Financial Statements and Supplementary Data" included in our 2010 10-K, which is also incorporated by reference herein. The following financial data at December 31, 2008, 2007, and 2006, and for the years ended December 31, 2007 and 2006 has been prepared from our accounting records. The financial data for the nine months ended September 30, 2010 and 2011, respectively, was derived from our unaudited consolidated financial statements included in our 2011 Third Quarter 10-Q, which is incorporated by reference in this prospectus, and should be read in

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Table of Contents

conjunction with Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part I, Item 1, "Financial Statements" of the Third Quarter 10-Q.

	As of and for the Years Ended December 31,					As of and for the Nine Months Ended September 30,	
	2006	2007	2008	2009	2010	2010	2011
	(in thousands)						
Operating revenues and other income:							
Oil, gas and NGL production revenue	\$ 730,737	\$ 912,093	\$ 1,259,400	\$ 615,953	\$ 836,288	\$ 586,128	\$ 935,478
Realized oil and gas hedge gain (loss)	28,176	24,484	(101,096)				