Ottoson Javan D Form 4 August 03, 2011

FORM 4

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

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)

(Last)

1. Name and Address of Reporting Person * Ottoson Javan D

(First) (Middle)

1775 SHERMAN STREET, SUITE

1200

(Street)

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)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

Director 10% Owner X_ Officer (give title _ Other (specify

below)

Exec VP & COO

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

DENVER, CO 80203

(City)	(State)	(Zip) Tabl	e I - Non-D	erivative S	Securi	ities Acqu	iired, Disposed of	, or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
G			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
Common Stock, \$.01 Par Value	08/01/2011		M <u>(1)</u>	10,257	A	<u>(1)</u>	28,391	D	
Common Stock, \$.01 Par Value	08/01/2011		F	4,068	D	\$ 75.56	24,323	D	
Common Stock, \$.01 Par Value	08/01/2011		M	3,214	A	<u>(2)</u>	27,537	D	
Common Stock, \$.01	08/01/2011		F	1,320	D	\$ 75.56	26,217	D	

Par Value

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

Persons who respond to the collection of SEC 1474 information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

(9-02)

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. Transactio Code (Instr. 8)	5. Number of onDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and A Underlying Se (Instr. 3 and 4
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title
Performance Share Award	(1)	08/01/2011		M <u>(1)</u>		10,257	08/01/2011 <u>(1)</u>	08/01/2011(1)	Common Stock
Restricted Stock Units	(2)	08/01/2011		M		3,214	08/01/2011	08/01/2011	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships						
1 0	Director	10% Owner	Officer	Other			
Ottoson Javan D			E				
1775 SHERMAN STREET			Exec				
SUITE 1200			VP &				
~			COO				
DENVER, CO 80203							

Signatures

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

**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 10,257 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

Reporting Owners 2

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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:

(2) 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 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.