

Veatch Paul M
Form 4
March 03, 2011

FORM 4

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

OMB APPROVAL

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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 *
Veatch Paul M

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Date of Earliest Transaction (Month/Day/Year)
03/01/2011

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

DENVER, CO 80203

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

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

(City) (State) (Zip)

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 | 03/01/2011 | | M | | 3,380 | A | \$ 13.65 |
| Common Stock; \$.01 Par Value | 03/01/2011 | | M | | 2,786 | A | \$ 12.66 |
| Common Stock; \$.01 Par Value | 03/01/2011 | | M | | 522 | A | \$ 13.39 |
| Common Stock; \$.01 | 03/01/2011 | | M | | 3,308 | A | \$ 14.25 |
| | | | | | | | 25,675 |

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Par Value

Common
 Stock; \$.01 03/01/2011 S 13,912 D \$ 72.43 11,763 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 Amount of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title | |
| Stock Option (Right-To-Buy) | \$ 13.65 | 03/01/2011 | | M | 3,380 | <u>(1)</u> 06/30/2013 | Common Stock | 3,380 |
| Stock Option (Right-To-Buy) | \$ 12.66 | 03/01/2011 | | M | 2,786 | <u>(2)</u> 09/30/2013 | Common Stock | 2,786 |
| Stock Option (Right-To-Buy) | \$ 13.39 | 03/01/2011 | | M | 522 | <u>(3)</u> 10/22/2013 | Common Stock | 522 |
| Stock Option (Right-To-Buy) | \$ 14.25 | 03/01/2011 | | M | 3,308 | <u>(4)</u> 12/31/2013 | Common Stock | 3,308 |

Reporting Owners

Reporting Owner Name / Address

Relationships

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Director 10% Owner Officer Other

Veatch Paul M
1775 SHERMAN STREET
SUITE 1200
DENVER, CO 80203

Sr. VP & Regional Manager

Signatures

Karin M. Writer
(Attorney-In-Fact) 03/03/2011

__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) The stock option vested as follows: 845 shares on June 30, 2003, and 845 shares on September 30, 2003, 2004, and 2005.
- (2) The stock option vested as follows: 697 shares on Septmeber 30, 2003, and 2004, and 696 shares on Septmeber 30, 2005 and 2006.
- (3) The stock option vested as follows: 131 shares on October 22, 2003, 131 shares on September 30, 2004, and 130 shares on September 30, 2005 and 2006.
- (4) The stock option vested as follows: 827 shares on December 31, 2003, and 827 shares on September 30, 2004, 2005, and 2006.

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