SM Energy Co
Form 424B2
May 08, 2015

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
5.625% Senior Notes due 2025	$500,000,000	100.000%	$500,000,000	$58,100.00

(1) In accordance with Rule 457(r), the filing fee has been transmitted to the Securities and Exchange Commission in connection with the securities offered under Registration Statement File No. 333-203936 by means of this prospectus supplement.

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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-203936

PRELIMINARY PROSPECTUS SUPPLEMENT
(To Prospectus dated May 7, 2015)

SM Energy Company
$500,000,000
5.625% Senior Notes due 2025

We are offering $500 million aggregate principal amount of 5.625% Senior Notes due 2025, or the Notes. We will pay interest on the Notes on June 1 and December 1 of each year, beginning on December 1, 2015. The Notes will mature on June 1, 2025.

We may redeem some or all of the Notes at any time on or after June 1, 2020 at the redemption prices described in this prospectus supplement and prior to such date at a "make-whole" redemption price. We may also redeem up to 35% of the Notes prior to June 1, 2018 with cash proceeds we receive from certain equity offerings. If we sell certain assets and do not reinvest the proceeds or repay senior indebtedness or if we experience specific kinds of changes of control, we must offer to repurchase the Notes.

The Notes will be our unsecured obligations and will rank equally in right of payment with all of our existing and future senior indebtedness and senior in right of payment to all of our existing and future subordinated indebtedness. The Notes will be effectively subordinated to any of our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness, including all borrowings under our credit facility. The Notes will be structurally subordinated to all liabilities of any of our subsidiaries that do not issue guarantees of the Notes.

The obligations under the Notes will initially not be guaranteed by any of our subsidiaries. Currently, our subsidiaries do not guarantee our indebtedness under our credit facility.

Investing in the Notes involves risks. See "Risk Factors" beginning on page S-16 of this prospectus supplement and on page 3 of the accompanying prospectus.

	Per Note	**Total**
Public offering price(1)	100.00%	$500,000,000
Underwriting discount	1.50%	$7,500,000
Proceeds to us, before expenses	98.50%	$492,500,000

(1) Plus accrued interest, if any, from May 21, 2015 if settlement occurs after that date.

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

We expect to deliver the Notes through the book-entry delivery system of The Depository Trust Company and its participants, including Clearstream and the Euroclear System, against payment on May 21, 2015.

Joint Book-Running Managers

Wells Fargo Securities **BofA Merrill Lynch** **J.P. Morgan**

Barclays **BBVA** **RBC Capital Markets**

Senior Co-Manager

Comerica Securities

Co-Managers

BOSC, Inc.	**Capital One Securities**	**Deutsche Bank Securities**
KeyBanc Capital Markets	**Santander**	**Scotiabank**
US Bancorp		**Goldman, Sachs & Co.**

The date of this prospectus supplement is May 7, 2015.

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Prospectus Supplement

Prospectus

We expect that delivery of the Notes will be made to investors on or about May 21, 2015, which will be the tenth business day following the date of this prospectus supplement (such settlement being referred to as "T+10"). Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes hereunder will be required, by virtue of the fact that the Notes initially settle in T+10, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery hereunder should consult their advisors.

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ABOUT THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information about securities we may offer from time to time, some of which may not apply to this offering. Generally, when we refer to this prospectus, we are referring to both this prospectus supplement and the accompanying prospectus. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus, you should rely onthis prospectus supplement. Before you invest in our Notes, you should carefully read this prospectus supplement and the accompanying prospectus, in addition to the information contained in the documents we refer to under the heading "Incorporation of Documents by Reference" in this prospectus supplement and "Where You Can Find More Information" in the accompanying prospectus.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus, or any free writing prospectus we may authorize to be delivered to you. We and underwriters have not authorized any person to provide you with any information or represent anything about us or this offering that is not contained or incorporated by reference in this prospectus supplement. If given or made, any such other information or representation should not be relied upon as having been authorized by us or the underwriters. We are not, and the underwriters are not, making an offer to sell the Notes in any jurisdiction where an offer or sale is not permitted.. You should not assume that the information in this prospectus supplement, the accompanying prospectus or any free writing prospectus that we may authorize to be delivered to you, including any information incorporated by reference, is accurate as of any date other than the date indicated for such information. Our business, financial condition, results of operations and/or prospects may have changed since those dates.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information in this prospectus supplement, including information in documents incorporated by reference, includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. 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 in this prospectus supplement and documents incorporated by reference 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 oil, gas and natural gas liquids (also referred to as "oil," "gas," and "NGLs," respectively, throughout this document) production estimates;
- our outlook on future oil, gas and NGL prices, well costs and service costs;
- cash flows, anticipated liquidity and the future repayment of debt;
- 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;
- our tender offer or redemption of our outstanding 6.625% Senior Notes due 2019;
- our ability to successfully complete the tender offer for, or redemption of, our outstanding 6.625% Senior Notes due 2019; and
- other similar matters such as those discussed in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (the "2014 10-K") and our Quarterly Report on Form 10-Q for the three months ended March 31, 2015 (the "First Quarter 2015 Form 10-Q").

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 supplement under "Risk Factors" or incorporated by reference herein and include such factors as:

the volatility of oil, gas, and NGL prices, and the effect it may have on our profitability, financial condition, cash flows, access to capital, and ability to grow production volumes and/or proved reserves;

weakness in economic conditions and uncertainty in financial markets;

our ability to replace reserves in order to sustain production;

our ability to raise the substantial amount of capital that is required to develop and/or replace our reserves;

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

our ability to attract and retain key personnel;

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

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

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

our limited control over activities on non-operated properties;

our reliance on the skill and expertise of third-party service providers on our operated properties;

the possibility that title to properties in which we have an interest may be defective;

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 divestitures, joint ventures, farm-downs, farm-outs, 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 commodity derivative contracts may result in financial losses or may limit the prices that we receive for oil, gas, and NGL sales;

the inability of one or more of our service providers, customers, or contractual counterparties to meet their obligations;

our ability to deliver necessary quantities of natural gas or crude oil to contractual counterparties;

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

the impact that lower oil, gas or NGL prices could have on the amount we are able 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;

the possibility that covenants in our debt agreements may limit our discretion in the operation of our business, prohibit us from engaging in beneficial transactions, or lead to the accelerated payment of our debt;

the possibility that we may not complete the tender offer for, or redemption of, our outstanding 6.625% Senior Notes due 2019 on the terms described in this prospectus supplement or at all;

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

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- the impact of seasonal weather conditions and lease stipulations on our ability to conduct drilling activities;
- our ability to acquire adequate supplies of water and dispose of or recycle water we use at a reasonable cost in accordance with environmental and other applicable rules;
- 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 oil, gas, and NGLs;
- new technologies may cause our current exploration and drilling methods to become obsolete;
- the possibility of security threats, including terrorist attacks and cybersecurity breaches, against, or otherwise impacting, our facilities and systems;
- the possibility we may face unforeseen difficulties or expenses related to our implementation of a new enterprise resource planning software system; 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 supplement 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.

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SUMMARY

This summary represents highlights of information contained elsewhere or incorporated by reference in this prospectus supplement or the accompanying 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 this prospectus supplement, the accompanying prospectus, and the documents incorporated by reference for a more complete understanding of our business and the terms of our Notes. You should pay special attention to "Risk Factors" beginning on page S-16 of this prospectus supplement, on page 3 of the accompanying prospectus, and included in our 2014 10-K and First Quarter 2015 Form 10-Q to determine whether an investment in our Notes is appropriate for you.

As used in this prospectus supplement, 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 the context otherwise requires. Certain oil and natural gas industry terms used in this prospectus supplement are defined in the "Glossary of Oil and Natural Gas Terms" beginning on page S-109 of this prospectus supplement.

Certain information with respect to our estimated proved reserves referred to and incorporated by reference herein is based in part upon the audit of our proved reserve estimates by Ryder Scott Company, L.P., a firm of independent petroleum engineers. Such information is included and incorporated herein in reliance on the authority of such firm as an expert in petroleum engineering.

SM Energy Company

We are an independent energy company engaged in the acquisition, exploration, development, and production of crude oil, natural gas, and natural gas liquids (also referred to as "oil," "gas" and "NGLs," respectively throughout this document) in onshore North America. We have leading positions in the Eagle Ford shale and Bakken/Three Forks resource plays that are the focus of our development programs. We also have smaller delineation and exploration programs in the Powder River Basin, the Permian Basin, and in east Texas. We have built a portfolio of onshore properties primarily through early entry 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 provides for stable and predictable production and reserves growth.

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

South Texas & Gulf Coast Region. Our Eagle Ford shale program is in our South Texas & Gulf Coast region, which consists primarily of properties located in Texas. Within this region as of December 31, 2014, we have both operated and non-operated Eagle Ford shale programs on approximately 180,000 net acres. Our operated program accounts for approximately 75 percent of our total Eagle Ford acreage. Our acreage position covers a significant portion of the western Eagle Ford shale play, including acreage in the oil, NGL-rich gas, and dry gas windows of the play. Our South Texas & Gulf Coast region accounted for approximately 73% of our consolidated production for the first three months of 2015.

Rocky Mountain Region. Our Bakken/Three Forks program in North Dakota is our most significant program in our Rocky Mountain region. This region is comprised primarily of properties located in the Williston Basin and the Powder River Basin. In the Williston Basin as of December 31, 2014, we have approximately 245,000 net acres, of which approximately 160,000 net acres are being actively developed in the Bakken and Three Forks formations. In the Powder River Basin as of December 31, 2014, we have approximately 175,000 net acres, a large portion of which are prospective for the Frontier and Shannon intervals. Our Rocky Mountain region accounted for approximately 16% of our consolidated production for the first three months of 2015.

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Permian Region. Our Permian region includes our assets in western Texas and southeastern New Mexico. Our current focus in this region is the testing of emerging shale potential and development of our assets in the Midland Basin. As of December 31, 2014, we had approximately 113,000 net acres in our Permian region. Our Permian region accounted for approximately 5% of our consolidated production for the first three months of 2015.

Mid-Continent Region. Our Mid-Continent region is comprised of our assets in the Haynesville shale and Woodford shale. Our Mid-Continent region accounted for approximately 6% of our consolidated production in the first three months of 2015. On January 6, 2015, we announced our intention to sell our assets in the Arkoma Basin of Oklahoma and in the Arklatex area of east Texas and northern Louisiana, and our intention to close our Tulsa, Oklahoma office later in 2015. On May 5, 2015 we announced that we had entered into purchase and sale agreements covering all of our assets in our Mid-Continent region. We expect these transactions to close in the second quarter of 2015. These assets produced approximately 3.5 MMBOE, net during 2014.

Significant Developments in 2014

Resource Play Delineation and Development Results in Record Production and Record Year-End Proved Reserve Estimates. Our estimated proved reserves increased 28 percent to 547.7 MMBOE at December 31, 2014, from 428.7 MMBOE at December 31, 2013. We added 143.9 MMBOE through drilling activities during the year, led by our efforts in our Eagle Ford shale play in south Texas and our Bakken/Three Forks play in North Dakota. Our proved reserve life increased to 9.9 years in 2014 compared to 8.9 years in 2013. We also achieved record levels of production in 2014. Our average daily production was composed of 45.6 MBbl of oil, 419.0 MMcf of gas, and 35.6 MBbl of NGLs for an average equivalent production rate of 151.1 MBOE per day, which was an increase of 14 percent from an average of 132.4 MBOE per day in 2013. Costs incurred for drilling and exploration activities, excluding acquisitions, increased 36 percent to $2.1 billion in 2014 when compared to 2013.

Acquisition Activity. During 2014, we acquired a total of 21.9 MMBOE of proved reserves through multiple transactions for consideration of approximately $544.6 million in cash plus approximately 7,000 net acres of non-core assets in our Rocky Mountain region. Through these acquisitions, we added approximately 74,000 net acres in our Gooseneck area in Divide County, North Dakota and approximately 38,000 net acres in our Powder River Basin program in Wyoming.

Volatility and Decline in Commodity Prices. Our financial condition and results of operations are significantly affected by the prices we receive for oil, gas, and NGLs, which can fluctuate dramatically.

Oil prices drastically declined in late 2014. The daily NYMEX spot price ranged from a high of $107.62 per Bbl in July to a low of $53.27 per Bbl in December. Oil prices declined further subsequent to year end 2014, dropping to a low of $43.46 per Bbl in March 2015. The average NYMEX price decreased to $93.03 per Bbl in 2014 compared to $97.99 per Bbl in 2013.

Natural gas prices have been under downward pressure due to high levels of supply in recent years and were volatile during 2014. The daily NYMEX spot price improved early in 2014 with a high of $7.92 per MMBtu in March and then dropped significantly to a low of $2.75 per MMBtu in December. Gas prices declined further subsequent to year end 2014, dropping to a low of $2.48 per MMBtu in April 2015. The average NYMEX price increased in 2014 to $4.35 per MMBtu compared to $3.73 per MMBtu in 2013.

NGL prices decreased in 2014 in line with the steep decline in oil prices. The monthly OPIS NGL price reached a high of $48.43 per Bbl in February and a low of $22.44 per Bbl in December. NGL prices declined further subsequent to year end 2014, dropping to a low of

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$20.03 per Bbl in January 2015. The average OPIS price decreased in 2014 to $38.93 per Bbl compared to $40.44 per Bbl in 2013.

Impairments. We recorded impairment of proved properties expense of $84.5 million and abandonment and impairment of unproved properties expense of $75.6 million for the year ended December 31, 2014. Impairments recorded in 2014 were a result of the significant decline in commodity prices in late 2014 and recognition of the outcomes of exploration and delineation wells in certain prospects in our South Texas & Gulf Coast and Permian regions.

Outlook for 2015

During 2015, we expect the broader oil and gas industry to adjust to lower oil prices. We and other exploration and production companies are reducing drilling and completion activity, which we expect to result in service companies lowering the price of their services. Our plan for 2015 is to scale back activity over the course of the year while preserving the value of our assets and protecting the strength of our balance sheet. As part of this plan, we expect to defer completion of certain wells during the year and to build our inventory of wells waiting on completion. Our goal is to be well positioned entering 2016 in what we expect will be a stronger commodity price and lower service cost enviroment, while having the strength and flexibility to adapt should industry conditions change.

Our 2015 capital budget is approximately $1.2 billion, of which approximately $1.0 billion will be invested in drilling and completion activities. We expect to focus 80-85 percent of our drilling and completion capital on our core development programs in the Eagle Ford shale and the Bakken/Three Forks formations. The remaining capital will be allocated to the construction of facilities, leasehold acquisitions, exploration overhead, and geological and geophysical costs. Please refer to Outlook for 2015 under Part II, Item 7 of our 2014 10-K for additional discussion concerning our capital plans for 2015.

Business Strategy

Our strategic objective is to build our ownership and operatorship of North American oil, gas, and NGL producing assets that have high operating margins and significant opportunities for additional economic investment. We pursue opportunities through both acquisitions and exploration, and seek to maximize the value of our assets through industry leading technology application and outstanding operational execution. We are returns focused and maintain a simple, strong balance sheet through a conservative approach to leverage.

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. As of December 31, 2014, we had approximately 180,000 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 Williston Basin, we are currently focused on the development of approximately 160,000 net acres that are prospective for the Bakken and Three Forks formations in North Dakota, out of our approximately 245,000 net acres in that basin. In our Permian Region, we had approximately 113,000 net acres as of December 31, 2014. As of December 31, 2014, we also had approximately 175,000 net acres in the Powder River Basin and 215,000 net acres in East Texas. We believe these programs provide us with a large, multi-year inventory of drilling projects with lower geological risk from which we can implement development programs with economies of scale and operational efficiencies that optimize our capital investment.

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. On an ongoing basis, we

seek to limit our credit facility borrowing to 50% of the borrowing base and limit our long-term debt to twelve-month trailing adjusted EBITDAX (which term we define in " Summary Consolidated Historical Financial and Operating Information") ratio to 2.5 times. We also aim to keep our long-term debt to book capitalization ratio around 50%. At March 31, 2015, on an as-adjusted basis after giving effect to the issuance and sale of the Notes and the application of the estimated net proceeds therefrom as set forth under "Use of Proceeds," we would have had approximately $1.2 billion of liquidity in the form of additional borrowing capacity under our credit facility. We seek to consistently hedge at least 50% of our expected volumes from estimated proved developed producing reserves to mitigate the effect of volatility of 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.

Significant oil and high BTU gas reserves and production. A large portion of our Eagle Ford shale acreage produces condensate and rich, high BTU gas, which improves the economics of this asset. Additionally, our Bakken/Three Forks assets produce oil with associated high BTU gas. We also have assets in other liquid-rich basins, such as our programs in the Permian Basin and the Powder River Basin.

Experienced management team with leading local operations teams. Our executive management team averages 30 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 maximize local knowledge and experience and reduce operational risk, we maintain regional offices in Billings, Montana; Houston, Texas; Midland, Texas; and, until later in 2015, 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

Tender Offer for 6.625% Senior Notes due 2019

Concurrently with this offering, we announced a fixed price tender offer for any and all of the $350.0 million outstanding principal amount of our 6.625% Senior Notes due 2019 (the "2019 Notes"). We have offered to purchase the 2019 Notes for cash equal to $1,006.88 per $1,000 principal amount of the 2019 Notes tendered, together with accrued and unpaid interest up to but not including the purchase date, plus a consent fee of $30.00 per $1,000 principal amount of 2019 Notes tendered before 5:00 p.m., New York City time, on May 20, 2015, unless extended by us. Our offer to purchase the 2019 Notes is being made on the terms and subject to the conditions set forth in an Offer to Purchase and Consent Solicitation Statement dated May 7, 2015. The tender offer and consent solicitation are conditioned upon our having obtained financing with terms and conditions satisfactory to us and in amounts not less than the amount required to purchase the 2019 Notes tendered in the tender offer. In addition, the tender offer and consent solicitation are conditioned upon the receipt of consents from holders of a majority of the outstanding principal amount of the 2019 Notes to eliminate substantially all of the restrictive covenants and certain events of default in the indenture governing the 2019 Notes. If fully subscribed, we expect that the tender offer and consent solicitation will cost approximately $363 million (including the consent fee but excluding accrued and unpaid interest of approximately $6 million), which would be funded principally with the net proceeds from this offering, as described in "Use of Proceeds." There is no assurance that the tender offer, which is expected to be completed on June 4, 2015, will be subscribed for in any amount. In the event that all of the 2019 Notes are not tendered in the tender offer or our tender offer is not consummated, we may use the net proceeds from this offering to redeem any 2019 Notes that remain outstanding.

This prospectus supplement is not an offer to purchase any of the 2019 Notes. The tender offer is being made only by and pursuant to the terms of an Offer to Purchase, dated May 7, 2015 and the

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related letter of transmittal. Holders of 2019 Notes are urged to read the Offer to Purchase carefully before making a decision regarding the tender offer.

Semi-Annual Cash Dividend

On March 27, 2015 we announced that our board of directors declared a semi-annual cash dividend of $0.05 per share of common stock outstanding, payable on May 6, 2015, to shareholders of record as of the close of business on April 24, 2015.

Corporate Information

We were founded in 1908, incorporated in 1915, and have been a publicly-traded company 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 supplement. Our common stock trades on the New York Stock Exchange under the ticker symbol "SM."

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THE OFFERING

The following summary contains basic information about the 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 supplement.

Issuer	SM Energy Company.
The Notes	$500 million aggregate principal amount of 5.625% Senior Notes due 2025.
Maturity	June 1, 2025.
Interest Payment Dates	Interest is payable on the Notes on June 1 and December 1 of each year, beginning on December 1, 2015.
Ranking	The 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 effectively 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 structurally subordinated in right of payment to all existing and future indebtedness and other liabilities of our subsidiaries, except to the extent they guarantee the Notes as provided herein. At March 31, 2015, on an as adjusted basis after giving effect to the issuance and sale of the Notes and the application of the estimated net proceeds therefrom as set forth under "Use of Proceeds, " assuming the repurchase of $350.0 million in aggregate principal amount of the 2019 Notes pursuant to the tender offer, we would have had approximately $294 million in borrowings outstanding under our credit facility and total consolidated indebtedness of $2.6 billion, consisting of $350.0 million of our outstanding 6.50% Senior Notes due 2021 (the "2021 Notes"), $600.0 million of our outstanding 6.125% Senior Notes due 2022 (the "2022 Notes"), $400.0 million of our outstanding 6.50% Senior Notes due 2023 (the "2023 Notes"), and $500.0 million of our outstanding 5.0% Senior Notes due 2024 (the "2024 Notes," and together with the 2019 Notes, the 2021 Notes, the 2022 Notes and the 2023 Notes, the "Existing Senior Notes"), and $500.0 million outstanding of the Notes offered hereby, and we would have been able to incur an additional approximately $1.2 billion of secured indebtedness under our credit facility. For further discussion, see "Description of Other Indebtedness" and "Capitalization."

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Guarantees	The 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 approximately 2% of our consolidated total revenues for the three months ended March 31, 2015, and held less than 1% of our consolidated total assets as of such date. Our subsidiaries may in the future guarantee our obligations under the 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 Notes, in whole or in part, at any time on or after June 1, 2020, in each case at the redemption prices described in this prospectus supplement under the heading "Description of Notes Optional Redemption," together with any accrued and unpaid interest to the date of redemption. Prior to June 1, 2020, we may redeem the 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 June 1, 2018, we may, at any time or from time to time, redeem up to 35% of the Notes with the proceeds of certain equity offerings at the price described in this prospectus supplement under the heading "Description of Notes Optional Redemption," together with any accrued and unpaid interest to the date of redemption.
Covenants	We will issue the Notes under an indenture with U.S. Bank National Association, as trustee. The indenture will contain 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 Notes an investment grade rating and no default exists with respect to the Notes.

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Change of Control Offer	Upon the occurrence of certain change of control events, holders of the Notes will have the right to require us to repurchase all or a portion of the 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 Notes will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess of $2,000.
Listing and Trading	The Notes will not be listed on any securities exchange or included in any automated quotation system. The Notes will be new securities for which there is currently no public market.
Use of Proceeds	We expect to receive net proceeds from this offering of approximately $492 million, after deducting the underwriters' discount and estimated offering expenses. We intend to use approximately $369 million of the net proceeds from this offering to fund the repurchase or redemption, as applicable, of the 2019 Notes, and the balance to repay outstanding borrowings under our credit facility and for general corporate purposes.
Conflicts of Interest	As described under "Use of Proceeds," affiliates of certain of the underwriters are holders of the 2019 Notes, which may be purchased pursuant to the concurrent tender offer or redemption using a portion of the net proceeds from this offering, and affiliates of each of the underwriters are lenders under our credit facility, which may be repaid using a portion of the net proceeds from this offering. Because affiliates of certain of the underwriters will receive more than five percent of the net proceeds in this offering, certain of the underwriters will be deemed to have a "conflict of interest" under Rule 5121(f)(5) of the Financial Industry Regulatory Authority, Inc., or FINRA. Accordingly, this offering will be made in compliance with the applicable provisions of Rule 5121. Rule 5121 provides that a qualified independent underwriter meeting certain standards must participate in the preparation of the prospectus and exercise the usual standards of due diligence with respect thereto. Barclays Capital Inc. is serving as a qualified independent underwriter. See "Use of Proceeds" and "Underwriting (Conflicts of Interest)."
Risk Factors	Investing in the Notes involves risks. See "Risk Factors" beginning on page S-16 of this prospectus supplement and on page 3 of the accompanying prospectus for information regarding risks you should consider before investing in the Notes.

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SUMMARY CONDENSED CONSOLIDATED HISTORICAL FINANCIAL AND OPERATING INFORMATION

We derived the following summary historical financial data as of and for the years ended December 31, 2013 and 2014 and the summary historical financial data for the year ended December 31, 2012, from our audited financial statements, which are incorporated by reference into this prospectus supplement and should be read in conjunction with 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 2014 10-K, which is incorporated by reference herein. The summary historical balance sheet data as of December 31, 2012 has been derived from our audited financial statements not included or incorporated by reference in this prospectus supplement. The financial data for the three months ended March 31, 2014 and 2015, respectively, was derived from our unaudited condensed consolidated financial statements included in our First Quarter 2015 Form 10-Q, which is incorporated by reference into this prospectus supplement. The following summary historical financial data should be read in 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 our First Quarter 2015 Form 10-Q.

	For the Years Ended December 31,			For the Three Months Ended March 31,	
	2012	2013	2014	2014	2015
			(in thousands)		
Operating revenues:					
Oil, gas, and NGL production revenue	$ 1,473,868	$ 2,199,550	$ 2,481,544	$ 623,109	$ 393,315
Gain (loss) on divestiture activity	(27,018)	27,974	646	2,958	(35,802)
Marketed gas system revenue	52,808	60,039	24,897	6,603	7,457
Other operating revenues	5,444	5,811	15,220	50	964
Total operating revenues and other income	1,505,102	2,293,374	2,522,307	632,720	365,934
Operating expenses:					
Oil, gas, and NGL production expense	391,872	597,045	715,878	163,709	196,151
Depletion, depreciation, amortization, and asset retirement obligation liability accretion	727,877	822,872	767,532	177,215	217,401
Exploration	90,248	74,104	129,857	21,335	37,407
Impairment of proved properties	208,923	172,641	84,480		55,526
Abandonment and impairment of unproved properties	16,342	46,105	75,638	2,801	11,627
General and administrative	119,815	149,551	167,103	35,051	43,639
Change in Net Profits Plan liability	(28,904)	(21,842)	(29,849)	(1,776)	(4,334)
Derivative (gain) loss	(55,630)	(3,080)	(583,264)	97,662	(154,167)
Marketed gas system expense	47,583	57,647	24,460	6,836	9,570
Other operating expenses	6,993	30,076	4,658	1,253	7,549
Total operating expenses	1,525,119	1,925,119	1,356,493	504,086	420,369
Income (loss) from operations	(20,017)	368,255	1,165,814	128,634	(54,435)
Non-operating income (expense):					
Other, net	220	67	(2,561)	26	571
Interest expense	(63,720)	(89,711)	(98,554)	(24,190)	(32,647)
Income (loss) before income taxes	(83,517)	278,611	1,064,699	104,470	(86,511)
Income tax (expense) benefit	29,268	(107,676)	(398,648)	(38,863)	33,453
Net income (loss)	$ (54,249)	$ 170,935	$ 666,051	$ 65,607	$ (53,058)

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	As of the Years Ended December 31,			As of the Three Months Ended March 31,	
	2012	2013	2014	2014	2015
			(in thousands)		
Balance Sheet Data (end of period):					
Cash and cash equivalents	$ 5,926	$ 282,248	$ 120	$ 236,435	$ 22
Total assets	4,199,529	4,705,165	6,516,700	4,689,011	6,600,686
Total noncurrent liabilities	2,243,517	2,459,213	3,445,385	2,498,313	3,668,203
Total stockholders' equity	1,414,466	1,606,821	2,286,655	1,675,419	2,236,228

	For the Years Ended December 31,			For the Three Months Ended March 31,	
	2012	2013	2014	2014	2015
			(in thousands)		
Other Financial Data:					
Adjusted EBITDAX(1)	$ 1,031,867	$ 1,477,274	$ 1,647,591	$ 398,920	$ 311,855
Net cash provided by operating activities	921,969	1,338,514	1,456,575	299,728	283,922
Net cash used in investing activities	(1,457,333)	(1,192,903)	(2,478,749)	(345,533)	(534,458)
Net cash provided by (used in) financing activities	422,096	130,711	740,046	(8)	250,438
Capital expenditures	1,507,828	1,553,536	1,974,798	(351,934)	(544,965)

(1) Adjusted EBITDAX represents income (loss) before interest expense, other non-operating income or expense, income taxes, depreciation, depletion, amortization and accretion, exploration expense, property impairments, non-cash stock compensation expense, derivative gains and losses net of settlements, change in the Net Profit Plan liability, and gains and losses on divestitures. Adjusted EBITDAX excludes certain items that we believe affect the comparability of operating results and can exclude items that are generally one-time or whose timing and/or amount cannot be reasonably estimated. Adjusted EBITDAX is a non-GAAP measure that is presented because we believe that it provides useful additional information to investors, as a performance measure, for analysis of our ability to internally generate funds for exploration, development, acquisitions, and to service debt. We are also subject to financial covenants under our credit facility based on our debt to adjusted EBITDAX ratio. In addition, adjusted EBITDAX is widely used by professional research analysts and others in the valuation, comparison, and investment recommendations of companies in the oil and gas exploration and production industry, and many investors use the published research of industry research analysts in making investment decisions.

Adjusted EBITDAX has limitations as an analytical tool and should not be considered in isolation or as a substitute for net income (loss), income (loss) from operations, net cash provided by operating activities, profitability, or liquidity measures prepared under GAAP. Because adjusted EBITDAX excludes some, but not all items that affect net income (loss) and may vary among companies, the adjusted EBITDAX amounts presented may not be comparable to similar metrics of other companies. Limitations to using adjusted EBITDAX as an analytical tool include:

- Adjusted EBITDAX does not reflect current or future requirements for capital expenditures or capital commitments;
- Adjusted EBITDAX does not reflect changes in, or cash requirements necessary to service interest or principal payments on debt;
- Adjusted EBITDAX does not reflect income taxes;

although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and adjusted EBITDAX does not reflect any cash requirements for such replacements; and

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other companies in our industry may calculate adjusted EBITDAX differently than we do, limiting its usefulness as a comparison measure.

The following table provides a reconciliation of our net income to adjusted EBITDAX and from adjusted EBITDAX to net cash provided by operating activities for the periods presented:

	For the Years Ended December 31,			For the Three Months Ended March 31,	
	2012	2013	2014	2014	2015
	(in thousands)				
Net income (loss) (GAAP)	$ (54,249)	$ 170,935	$ 666,051	$ 65,607	$ (53,058)
Interest expense	63,720	89,711	98,554	24,190	32,647
Other non-operating (income) expense, net	(220)	(67)	2,561	(26)	(571)
Income tax expense (benefit)	(29,268)	107,676	398,648	38,863	(33,453)
Depreciation, depletion, amortization, and asset retirement obligation liability accretion	727,877	822,872	767,532	177,215	217,401
Exploration	81,809	65,888	122,577	19,938	35,732
Impairment of proved properties	208,923	172,641	84,480		55,526
Abandonment and impairment of unproved properties	16,342	46,105	75,638	2,801	11,627
Stock-based compensation expense	30,185	32,347	32,694	6,344	6,024
Derivative (gain) loss	(55,630)	(3,080)	(583,264)	97,662	(154,167)
Derivative settlement gain (loss)	44,264	22,062	12,615	(28,940)	161,229
Change in Net Profits Plan liability	(28,904)	(21,842)	(29,849)	(1,776)	(4,334)
(Gain) loss on divestiture activity	27,018	(27,974)	(646)	(2,958)	35,802
Other, net					1,450
Adjusted EBITDAX (Non-GAAP)	1,031,867	1,477,274	1,647,591	398,920	311,855
Interest expense	(63,720)	(89,711)	(98,554)	(24,190)	(32,647)
Other non-operating income (expense), net	220	67	(2,561)	26	571
Income tax (expense) benefit	29,268	(107,676)	(398,648)	(38,863)	33,453
Exploration	(81,809)	(65,888)	(122,577)	(19,938)	(35,732)
Exploratory dry hole expense	20,861	5,846	44,427		16,275
Amortization of debt discount and deferred financing costs	6,769	5,390	6,146	1,477	1,957
Deferred income taxes	(29,638)	105,555	397,780	38,374	(33,727)
Plugging and abandonment	(2,856)	(9,946)	(8,796)	(1,325)	(2,425)
Other, net	527	2,775	1,069	(3,103)	46
Changes in current assets and liabilities	10,480	14,828	(9,302)	(51,650)	24,296
Net cash provided by operating activities (GAAP)	$ 921,969	$ 1,338,514	$ 1,456,575	$ 299,728	$ 283,922

Note:

Stock-based compensation expense is a component of exploration expense and general and administrative expense on our statements of operations. Therefore, the exploration line items shown in the reconciliation above will vary from the amount shown on our statements of operations for the component of stock-based compensation expense recorded to exploration.

Derivative settlement gain (loss) is reported net of the change in accrued settlements between periods in the derivative cash settlements line item on our statements of cash flows within net cash provided by operating activities.

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SUMMARY RESERVE, PRODUCTION AND OPERATING DATA

The following table presents summary data with respect to our estimated net proved oil, gas, and NGL reserves as of the dates indicated. At least 80 percent of our total calculated proved reserve PV-10 as of December 31, 2012, 2013 and 2014 was audited by Ryder Scott Company, L.P., which is a firm of independent reserve engineers. Our estimated proved reserves and related PV-10 at December 31, 2012, 2013 and 2014 were determined in accordance with the reserve disclosure rules of the SEC using the 12-month unweighted arithmetic average of the first-day-of-the-month price for the periods of January 2012 through December 2012, January 2013 through December 2013, and January 2014 through December 2014, respectively, without giving effect to derivative transactions, and were held constant throughout the life of the properties. These prices were $94.71 per Bbl for oil, $2.76 per MMBtu for gas and $45.65 per Bbl for NGLs for the year ended December 31, 2012, $96.94 per Bbl for oil, $3.67 per MMBtu for gas and $40.29 per Bbl for NGLs for the year ended December 31, 2013, and $94.99 per Bbl for oil, $4.35 per MMBtu for natural gas, and $39.91 per Bbl for NGLs for the year ended December 31, 2014.

	As of and for the Years Ended December 31,		
	2012	**2013**	**2014**
Reserve Information:			
Estimated proved reserves:			
Oil (MMBbl)	92.2	126.6	169.7
Gas (Bcf)	833.4	1,189.3	1,466.5
NGLs (MMBbl)	62.3	103.9	133.5
Equivalents (MMBOE)*	293.4	428.7	547.7
Percentage proved developed	57%	49%	52%
PV-10 (in millions)	$ 3,849.1	$ 5,528.5	$ 7,616.9
Estimated proved reserve life (in years)	8.0	8.9	9.9
Costs incurred in oil and gas producing activities (in millions)	$ 1,687.9	$ 1,721.1	$ 2,711.7

*

At year-end 2012, our reserves shifted from being majority gas to majority liquids. As a result, beginning with the first quarter of 2013, we report volumes on a BOE basis rather than on a Mcfe basis. Prior period presentations have been conformed accordingly.

The following table reconciles the standardized measure of discounted future net cash flows (GAAP) to the pre-tax PV-10 (Non-GAAP) of proved reserves. Please see the definitions of standardized measure of discounted future net cash flows and PV-10 in the "Glossary of Oil and Natural Gas Terms."

	As of December 31,		
	2012	**2013**	**2014**
		(in millions)	
Standardized measure of discounted future net cash flows	$ 3,021.0	$ 4,009.4	$ 5,698.8
Add: 10 percent annual discount, net of income taxes	1,742.1	2,500.6	3,407.2
Add: future undiscounted income taxes	1,609.4	2,722.2	3,511.4
Undiscounted future net cash flows	6,372.5	9,232.2	12,617.4
Less: 10 percent annual discount without tax effect	(2,523.4)	(3,703.7)	(5,000.5)
PV-10	$ 3,849.1	$ 5,528.5	$ 7,616.9

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The following table summarizes the volumes and realized prices of oil, gas, and NGLs produced and sold from properties in which we held an interest during the periods indicated. Also presented is a summary of related production costs per BOE.

	For the Years Ended December 31,			For the Three Months Ended March 31,	
	2012	2013	2014	2014	2015
Production and operating data:					
Production					
Oil (MMBbl)	10.4	13.9	16.7	3.7	5.2
Natural gas (Bcf)	120.0	149.3	152.9	35.5	45.9
Natural gas liquids (MMBbl)	6.1	9.5	13.0	2.9	3.9
Equivalents (MMBOE)*	36.5	48.3	55.1	12.5	16.8
Realized sales prices (before impact of derivative settlements)					
Oil ($/Bbl)	$ 85.45	$ 91.19	$ 80.97	$ 88.96	$ 38.56
Natural gas ($/Mcf)	$ 2.98	$ 3.93	$ 4.58	$ 5.22	$ 2.76
Natural gas liquids ($/Bbl)	$ 37.61	$ 35.95	$ 33.34	$ 38.79	$ 16.67
Equivalent ($/BOE)*	$ 40.39	$ 45.50	$ 45.01	$ 49.96	$ 23.44
Realized sales prices (after impact of derivative settlements)					
Oil ($/Bbl)	$ 83.52	$ 89.92	$ 82.68	$ 87.11	$ 58.89
Natural gas ($/Mcf)	$ 3.48	$ 4.14	$ 4.40	$ 4.84	$ 3.51
Natural gas liquids ($/Bbl)	$ 38.90	$ 36.66	$ 34.18	$ 35.76	$ 22.00
Equivalent ($/BOE)*	$ 41.71	$ 45.92	$ 45.23	$ 47.64	$ 33.05
Average costs per BOE*					
Production expense	$ 8.74	$ 10.16	$ 10.85	$ 10.93	$ 10.56
Production tax	$ 2.00	$ 2.19	$ 2.13	$ 2.20	$ 1.12
Depletion, depreciation, amortization, and asset retirement obligation accretion	$ 19.95	$ 17.02	$ 13.92	$ 14.21	$ 12.96
General and administrative	$ 3.28	$ 3.09	$ 3.03	$ 2.81	$ 2.60

* At year-end 2012, our reserves shifted from being majority gas to majority liquids. As a result, beginning with the first quarter of 2013, we report volumes on a BOE basis rather than on a Mcfe basis. Prior period presentations have been conformed accordingly.

We sell the majority of our natural gas under contracts that use first-of-the-month index pricing, which means that gas produced in a given month is sold at the first-of-the-month price regardless of the spot price on the day the gas is produced. For assets where high BTU gas is sold at the wellhead, we also receive additional value for the high energy content contained in the gas stream. Our NGL production is generally sold using contracts paying us a monthly average of the posted Oil Price Information Service ("OPIS") daily settlement prices, adjusted for processing, transportation, and location differentials. Our oil and condensate are generally sold using contracts paying us various industry posted prices, most commonly NYMEX West Texas Intermediate. We are paid the average of the daily settlement price for the respective posted prices for the period in which the product is produced, adjusted for quality, transportation, American Petroleum Institute gravity, and location differentials. When we refer to realized oil, gas, and NGL prices above, the disclosed price represents the average price for the respective period unless otherwise indicated.

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Commodity Derivative Contracts Entered into as of April 29, 2015

The following tables include all commodity derivative contracts for settlement at any time during the second quarter of 2015 and later periods entered into through April 29, 2015:

Oil Contracts

Oil Swaps

Contract Period	NYMEX WTI Volumes		Weighted-Average Contract Price
	(Bbls)		(per Bbl)
Second quarter 2015	1,639,000	$	91.26
Third quarter 2015	1,254,000	$	90.78
Fourth quarter 2015	1,137,000	$	90.15
2016	5,570,000	$	88.01
All oil swaps	9,600,000		

Oil Collars

Contract Period	NYMEX WTI Volumes		Weighted-Average Floor Price		Weighted-Average Ceiling Price
	(Bbls)		(per Bbl)		(per Bbl)
Second quarter 2015	709,000	$	85.00	$	94.06
Third quarter 2015	906,000	$	85.00	$	91.25
Fourth quarter 2015	869,000	$	85.00	$	92.19
All oil collars	2,484,000				

Gas Contracts

Gas Swaps

Contract Period	Volumes		Weighted-Average Contract Price
	(MMBtu)		(per MMBtu)
Second quarter 2015	15,985,000	$	3.90
Third quarter 2015	14,950,000	$	4.03
Fourth quarter 2015	13,570,000	$	4.02
2016	48,896,000	$	4.12
2017	37,414,000	$	4.16
2018	35,241,000	$	4.21
2019	28,159,000	$	4.28
All gas swaps*	194,215,000		

* Natural gas swaps are comprised of IF El Paso Permian (2%), IF HSC (83%), IF NGPL TXOK (1%), IF NNG Ventura (3%), and IF Enable East (11%).

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Gas Collars

Contract Period	Volumes (MMBtu)	Weighted-Average Floor Price (per MMBtu)	Weighted-Average Ceiling Price (per MMBtu)
Second quarter 2015	2,297,000	$ 4.00	$ 4.30
Third quarter 2015	2,005,000	$ 4.00	$ 4.30
Fourth quarter 2015	6,176,000	$ 3.97	$ 4.30
All gas collars*	10,478,000		

*
Natural gas collars are comprised of IF El Paso Permian (4%), IF HSC (79%), IF NNG Ventura (7%), and IF Enable East (10%).

NGL Contracts

NGL Swaps

Contract Period	OPIS Purity Ethane Mt Belv. Volumes (Bbls)	Weighted-Average Contract Price (per Bbl)
2016	710,000	$ 9.12
2017	792,000	$ 9.98
2018	347,000	$ 10.52
All NGL swaps	1,849,000	