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SM Energy Announces Operations Update - Increasing Production Guidance And Positive Early Viper Well Results

DENVER, June 6, 2017 /PRNewswire/ -- SM Energy Company (the "Company") (NYSE:SM) announced today it is increasing production guidance by approximately 0.4 MMBoe, all of which is attributable to the second quarter of 2017, due to acceleration of completion activity at its core Eagle Ford program. The pace of completions in the Eagle Ford was accelerated during the quarter by 11 wells. The Company has completed 31 wells in its Eagle Ford program year-to-date and the current full year plan is to complete 39 wells. Production guidance is revised to 10.7-11.1 MMBoe for the second quarter and 43.2-46.2 MMBoe for the full year 2017.



President and Chief Executive Officer Jay Ottoson comments: "Due to the favorable terms and performance under our pumping services agreement for the Eagle Ford, we are pleased to accelerate this activity, which we believe will result in higher cash flow and capital cost savings in 2017."

"I would also like to add that production from our highly anticipated Viper 14-9 1WA well in Howard County, Texas, with an approximate 10,400 foot lateral drilled in the Wolfcamp A, has just passed 1,000 Boe/d production at 92% oil during completion flowback with oil rates still increasing. It will be some time yet before we have a 30-day peak rate for this well, but this is clearly an encouraging early indication of productivity."

FORWARD LOOKING STATEMENTS

This release contains forward-looking statements within the meaning of securities laws. The words "anticipate," "assume," "believe," "budget," "estimate," "expect," "forecast," "guidance," "intend," "plan," "project," "will" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, which may cause SM Energy's actual results to differ materially from results expressed or implied by the forward-looking statements. Forward-looking statements in this release include, among other things, projected changes in production volumes and cash flows. General risk factors include the availability of and access to capital markets; the availability, proximity and capacity of gathering, processing and transportation facilities; the volatility and level of oil, natural gas, and natural gas liquids prices, including any impact on the Company's asset carrying values or reserves arising from price declines; uncertainties inherent in projecting future rates of production or other results from drilling and completion activities; the imprecise nature of estimating oil and gas reserves; uncertainties inherent in projecting future drilling and completion activities, costs or results, including from pilot tests; the uncertainty of negotiations to result in an agreement or a completed transaction; the uncertain nature of acquisition, divestiture, joint venture, farm down or similar efforts and the ability to complete any such transactions; the uncertain nature of expected benefits from the actual or expected acquisition, divestiture, joint venture, farm down or similar efforts; the availability of additional economically attractive exploration, development, and acquisition opportunities for future growth and any necessary financings; unexpected drilling conditions and results; unsuccessful exploration and development drilling results; the availability of drilling, completion, and operating equipment and services; the risks associated with the Company's commodity price risk management strategy; uncertainty regarding the ultimate impact of potentially dilutive securities; and other such matters discussed in the "Risk Factors" section of SM Energy's 2016 Annual Report on Form 10-K, as such risk factors may be updated from time to time in the Company's other periodic reports filed with the Securities and Exchange Commission. The forward-looking statements contained herein speak as of the date of this announcement. Although SM Energy may from time to time voluntarily update its prior forward-looking statements, it disclaims any commitment to do so except as required by securities laws.

ABOUT THE COMPANY

SM Energy Company is an independent energy company engaged in the acquisition, exploration, development, and production of crude oil, natural gas, and natural gas liquids in onshore North America. SM Energy routinely posts important information about the Company on its website. For more information about SM Energy, please visit its website at www.SM-Energy.com.

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