

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2001

Commission File Number 0-20872

ST. MARY LAND & EXPLORATION COMPANY
(Exact name of registrant as specified in its charter)

Delaware 41-0518430
(State or other jurisdiction (I.R.S. Employer Identification No.)
of incorporation or organization)

1776 Lincoln Street, Suite 1100, Denver, Colorado 80203
(Address of principal executive offices) (Zip Code)

(303) 861-8140
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [] No []

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

As of November 7, 2001 the registrant had 27,733,684 shares of common stock, \$.01 par value, outstanding.

ST. MARY LAND & EXPLORATION COMPANY

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ST. MARY LAND & EXPLORATION COMPANY AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS (UNAUDITED)
 (In thousands, except share amounts)

ASSETS	September 30, ----- 2001 -----	December 31, ----- 2000 -----
Current assets:		
Cash and cash equivalents	\$ 6,198	\$ 6,619
Accounts receivable	36,207	55,068
Prepaid expenses and other	2,414	2,134
Refundable income taxes	7,029	-
Accrued hedge asset	5,342	-
Deferred income taxes	-	163
Total current assets	----- 57,190 -----	----- 63,984 -----
Property and equipment (successful efforts method), at cost:		
Proved oil and gas properties	457,983	385,076
Less accumulated depletion, depreciation and amortization	(204,200)	(171,412)
Unproved oil and gas properties, net of impairment allowance of \$8,270 in 2001 and \$7,956 in 2000	54,957	35,497
Other property and equipment, net of accumulated depreciation of \$2,944 in 2001 and \$3,600 in 2000	3,244	3,250
Total property and equipment	----- 311,984 -----	----- 252,411 -----
Other assets:		
Khanty Mansiysk Oil Corporation stock	1,651	1,651
Other assets	3,907	3,849
Total other assets	----- 5,558 -----	----- 5,500 -----
Total Assets	----- \$ 374,732 =====	----- \$ 321,895 =====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 31,935	\$ 23,345
Deferred income taxes	1,860	-
Total current liabilities	----- 33,795 -----	----- 23,345 -----
Long-term liabilities:		
Long-term debt	14,350	22,000
Deferred income taxes	42,494	24,820
Other noncurrent liabilities	616	987
Total long-term liabilities	----- 57,460 -----	----- 47,807 -----
Commitments and contingencies		
Minority interest	----- 581 -----	----- 607 -----
Stockholders' equity:		
Common stock, \$.01 par value: authorized - 100,000,000 shares:		
Issued and outstanding - 28,740,184 shares in 2001 and 28,553,826 shares in 2000	287	286
Additional paid-in capital	136,743	132,973
Treasury stock - at cost: 1,009,900 shares in 2001 and 395,600 shares in 2000	(16,210)	(3,339)
Retained earnings	158,155	120,075
Unrealized net gain on marketable equity securities-available for sale	82	141
Unrealized hedge gain	3,839	-
Total stockholders' equity	----- 282,896 -----	----- 250,136 -----
Total Liabilities and Stockholders' Equity	----- \$ 374,732 -----	----- \$ 321,895 -----

The accompanying notes are an integral part of these consolidated financial statements.

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ST. MARY LAND & EXPLORATION COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(In thousands, except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2001	2000	2001	2000
Operating revenues:				
Oil and gas production	\$ 41,859	\$ 54,066	\$ 165,195	\$ 134,898
Gain (loss) on sale of proved properties	(71)	8	(21)	2,340
Other oil and gas revenue	374	188	939	1,062
Other revenues	494	52	666	247
Total operating revenues	42,656	54,314	166,779	138,547
Operating expenses:				
Oil and gas production	14,756	10,307	40,249	27,355
Depletion, depreciation and amortization	13,704	9,627	37,876	26,805
Exploration	4,347	2,346	14,858	6,749
Impairment of proved properties	576	852	820	2,802
Abandonment and impairment of unproved properties	659	732	1,733	2,021
General and administrative	2,804	2,343	10,361	7,438
Minority interest and other	283	(56)	662	1,178
Total operating expenses	37,129	26,151	106,559	74,348
Income from operations	5,527	28,163	60,220	64,199
Nonoperating income and (expense):				
Interest income	73	252	408	655
Interest expense	(5)	(25)	(40)	(148)
Income before income taxes	5,595	28,390	60,588	64,706
Income tax expense	734	11,251	21,100	25,084
Net income	\$ 4,861	\$ 17,139	\$ 39,488	\$ 39,622
Basic net income per common share	\$ 0.17	\$ 0.61	\$ 1.41	\$ 1.43
Diluted net income per common share	\$ 0.17	\$ 0.60	\$ 1.38	\$ 1.41
Basic weighted average common shares outstanding	27,790	27,920	28,052	27,690
Diluted weighted average common shares outstanding	28,252	28,535	28,620	28,151
Cash dividends declared per share	\$ -	\$ 0.025	\$ 0.050	\$ 0.075

The accompanying notes are an integral part of these consolidated financial statements.

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ST. MARY LAND & EXPLORATION COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	For the Nine Months Ended September 30,	
	2001	2000
Reconciliation of net income to net cash provided by operating activities:		
Net income	\$ 39,488	\$ 39,622
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss (gain) on sale of proved properties	21	(2,340)
Depletion, depreciation and amortization	37,876	26,805
Impairment of proved properties	820	2,802
Exploration, including exploratory dry hole expense	5,847	1,302

Balance, December 31, 1999	27,893,910	\$ 279	\$ 123,974	\$ 67,230	(365,600)	\$ (2,995)	\$ 284	\$ 188,772
Comprehensive income:								
Net Income	-	-	-	55,620	-	-	-	55,620
Unrealized net loss on marketable equity securities available for sale	-	-	-	-	-	-	(143)	(143)
Total comprehensive income								55,477
Cash dividends, \$ 0.10 per share	-	-	-	(2,775)	-	-	-	(2,775)
Treasury stock purchases	-	-	-	-	(30,000)	(344)	-	(344)
Issuance for Employee Stock Purchase	32,296	-	311	-	-	-	-	311
ESPP disqualified distribution	-	-	3	-	-	-	-	3
Sale of common stock, including income tax benefit of stock option exercises	619,220	6	8,597	-	-	-	-	8,603
Directors' stock compensation	8,400	1	88	-	-	-	-	89
Balance, December 31, 2000	28,553,826	\$ 286	\$ 132,973	\$120,075	(395,600)	\$ (3,339)	\$ 141	\$ 250,136
Comprehensive income:								
Net Income	-	-	-	39,488	-	-	-	34,627
Unrealized net loss on marketable equity securities available for sale	-	-	-	-	-	-	(59)	(59)
Unrealized hedge gain	-	-	-	-	-	-	3,839	3,839
Total comprehensive income								43,628
Cash dividends, \$ 0.05 per share	-	-	-	(1,408)	-	-	-	(1,413)
Treasury stock purchases	-	-	-	-	(614,300)	(12,871)	-	(10,949)
Issuance for Employee Stock Purchase Plan	19,337	-	367	-	-	-	-	149
Sale of common stock, including income tax benefit of stock option exercises	158,621	1	3,165	-	-	-	-	2,265
Directors' stock compensation	8,400	-	238	-	-	-	-	238
Balance, September 30, 2001	28,740,184	\$ 287	\$ 136,743	\$158,155	(1,009,900)	\$ (16,210)	\$ (1,043)	\$ 273,869

The accompanying notes are an integral part of these consolidated financial statements.

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ST. MARY LAND & EXPLORATION COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

September 30, 2001

Note 1 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of St. Mary Land & Exploration Company and Subsidiaries ("St. Mary" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information. They do not include all information and notes required by generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there has been no material change in the information disclosed in the notes to consolidated financial statements included in St. Mary's Annual Report on Form 10-K for the year ended December 31, 2000. In the opinion of Management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the full year.

The accounting policies followed by the Company are set forth in Note 1 to the Company's consolidated financial statements in the Form 10-K for the year ended December 31, 2000. It is suggested that these unaudited condensed consolidated financial statements be read in conjunction with the consolidated financial statements and notes included in the Form 10-K.

Note 2 - Capital Stock

In July 2000 St. Mary's board of directors approved a two-for-one stock split effected in the form of a stock dividend whereby one additional common share of stock was distributed for each common share outstanding. The stock split was distributed on September 5, 2000 to shareholders of record as of the close of business on August 21, 2000. All share and per share amounts for all periods presented herein have been restated to reflect this stock split.

In August 1998 the Company's board of directors approved a stock repurchase program whereby the Company may purchase from time to time, in open market purchases or negotiated sales, up to two million shares of its common stock. During the third quarter of 2001 the Company repurchased 100,000 shares of its common stock under the program at a weighted average price of \$19.22 per

share. To date in 2001 we have purchased 614,300 shares at a weighted average price of \$20.64 per share, bringing the total number of shares repurchased under the program to 1,009,900 at a weighted average price of \$15.86 per share. Additional purchases of shares by the Company may occur as market conditions warrant. Such purchases would be funded with internal cash flows and borrowings under the Company's credit facility.

In April 2001 the Company sold 100,000 put options on its own common stock for \$99,000 in cash. These put options gave the holder the right to require the Company to purchase up to 100,000 shares of its own common stock from the holder at \$20.22 per share on July 11, 2001. These options expired unexercised. In June 2001 the Company sold 100,000 put options on its own common stock for \$94,000 in cash. These put options gave the holder the right to require the Company to purchase up to 100,000 shares of its own common stock from the holder at \$19.22 per share on September 24, 2001. The holder exercised these options, and the Company purchased 100,000 shares of its own common stock at \$19.22 per share on September 24, 2001.

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Note 3 - Income Taxes

Federal income tax expense for the three and nine months ended September 30, 2001 and 2000 differ from the amounts that would be provided by applying the statutory U.S. Federal income tax rate to income before income taxes primarily due to Section 29 credits, percentage depletion, and the effect of state income taxes. During 2000 the Company utilized its net operating loss carryover and resulting deferred tax asset from 1999. At September 30, 2001 the Company's current portion of income tax expense was \$4,910,000.

Note 4 - Long-term Debt

On April 30, 2001 St. Mary entered into an agreement to amend the existing long-term revolving credit agreement. The maximum loan amount remains at \$200.0 million. The lender may periodically re-determine the aggregate borrowing base depending upon the value of St. Mary's oil and gas properties and other assets. The amendment increases the borrowing base by \$30.0 million to \$170.0 million. The accepted borrowing base was \$40.0 million at September 30, 2001. The credit agreement has a maturity date of December 31, 2006 and includes a revolving period that matures on June 30, 2003. The amended agreement deletes all references to and provisions of the short-term tranche previously available to St. Mary. The Company must comply with certain covenants including maintenance of stockholders' equity at a specified level and limitations on additional indebtedness. The Company had \$14,350,000 in outstanding borrowings under its revolving credit agreement as of September 30, 2001 and the weighted average interest rate paid for the nine months ended September 30, 2001 was 8.8% including commitment fees paid on the unused portion of the borrowing base. The Company's debt to total capitalization ratio as defined under the agreement was 4.8% as of September 30, 2001.

Note 5 - Financial Instruments

On January 1, 2001 the Company adopted statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." The adoption of SFAS No. 133 resulted in the Company recording a liability of \$45,699,000 for the fair value of the derivative instruments at January 1, 2001. The Company's adoption entry resulted in deferral of the recognition of this liability to accumulated other comprehensive loss of \$28,587,000 at January 1, 2001. For the first nine months of 2001 the Company recognized no net hedge loss from hedge ineffectiveness on derivative instruments that were designated and qualified as cash flow hedging instruments. St. Mary anticipates that all hedge transactions will occur as expected. Based on current prices the Company anticipates that \$3,482,000 of the after-tax gain amount included in accumulated and other comprehensive income will be included in earnings during the next 12 months.

The Company seeks to protect its rate of return on acquisitions of producing properties by hedging cash flow when the economic criteria from its evaluation and pricing model indicate it would be appropriate. Management's strategy is to hedge cash flows from investments requiring a gas price in excess of \$2.75 per Mcf and an oil price in excess of \$22.00 per Bbl in order to meet minimum rate-of-return criteria. The Company anticipates this strategy will result in the hedging of future cash flow from acquisitions. St. Mary generally limits its aggregate hedge position to no more than 35% of its total production but will hedge up to 50% of total production in certain circumstances. The Company seeks to minimize basis risk and index the majority of oil hedges to NYMEX prices and the majority of gas hedges to various regional index prices associated with pipelines in proximity to its areas of gas production.

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Note 6 - Newly Issued Accounting Standards

In June 2001 the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, "Business Combinations." Under this statement all business combinations must be accounted for under the purchase method. The pooling method is no longer allowed. The statement also establishes criteria to assess when to recognize intangible assets separately from goodwill. SFAS No. 141 is effective

for business combinations initiated after June 30, 2001 and for all business combinations using the purchase method for which the date of acquisition is after June 30, 2001. At this time the Company has no pending business combinations that would be affected by the adoption of this statement.

In June 2001 the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets." This statement addresses the accounting for goodwill and other intangible assets and provides specific guidance for testing goodwill and other intangible assets for impairment. This statement is effective for fiscal years beginning after December 15, 2001. The Company does not anticipate that the adoption of this statement will have a material effect on the Company's financial position or results of operations.

In July 2001 the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This statement requires companies to recognize the fair value of an asset retirement liability in the financial statements by capitalizing that cost as part of the cost of the related long-lived asset. The asset retirement liability should then be allocated to expense by using a systematic and rational method. The statement is effective for fiscal years beginning after June 15, 2002. The Company has not yet determined the impact of adoption of this statement.

In August 2001 the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This statement provides a single accounting model for long-lived assets to be disposed of and changes the criteria that would have to be met to classify an asset as held-for-sale. The statement also requires expected future operating losses from discontinued operations to be recognized in the periods in which the losses are incurred, which is a change from the current requirement of recognizing such operating losses as of the measurement date. The statement is effective for fiscal years beginning after December 15, 2001. The Company does not anticipate that the adoption of the statement will have a material effect on the Company's financial position or results of operations.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-Q includes certain statements that may be deemed to be "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, included in this Form 10-Q that address activities, events or developments that St. Mary management forecasts, expects, believes or anticipates will or may occur in the future are forward-looking statements. Examples of forward-looking statements may include discussion of such matters as:

- o Production forecasts, lease operating expenses, transportation costs, DD&A, general and administrative expenses, and current income taxes for future periods,
- o the amount and nature of future capital, development and exploration expenditures,
- o the drilling of wells,
- o reserve estimates and the estimates of both future net revenues and the present value of future net revenues that are included in their calculation,
- o future oil and gas production estimates,
- o repayment of debt,
- o business strategies,
- o expansion and growth of operations, and
- o other similar matters.

These statements are based on certain 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 we believe are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, including such factors as the volatility and level of oil and natural gas prices, uncertainties in cash flow, expected acquisition benefits, production rates and reserve replacement, reserve estimates, drilling and operating risks, competition, litigation, environmental matters, the potential impact of government regulations, and other matters such as those discussed in the "Risk Factors" section of St. Mary's 2000 Annual Report on Form 10-K, many of which are beyond our control. Readers are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those expressed or implied in the forward-looking statements.

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Results of Operations

The following table sets forth selected operating data for the periods indicated:

Three Months -----	Nine Months -----
Ended September 30, -----	Ended September 30, -----

	2001 ----- (In thousands, except per volume data)	2000 ----- (In thousands, except per volume data)	2001 ----- (In thousands, except per volume data)	2000 ----- (In thousands, except per volume data)
Oil and gas production revenues:				
Gas production	\$ 27,044	\$ 36,244	\$ 120,394	\$ 91,224
Oil production	14,815	17,821	44,801	43,674
	-----	-----	-----	-----
Total	\$ 41,859	\$ 54,066	\$ 165,195	\$ 134,897
	=====	=====	=====	=====
Net production:				
Gas (Mcf)	9,754	9,929	29,404	28,710
Oil (Bbls)	609	711	1,812	1,825
	-----	-----	-----	-----
MCFE	13,405	14,195	40,274	39,660
	=====	=====	=====	=====
Average sales price (1):				
Gas (per Mcf)	\$ 2.77	\$ 3.65	\$ 4.09	\$ 3.18
Oil (per Bbl)	\$ 24.35	\$ 25.05	\$ 24.73	\$ 23.93
Oil and gas production costs:				
Lease operating expense	\$ 11,441	\$ 6,750	\$ 28,805	\$ 18,259
Transportation costs	601	470		
			1,739	1,294
Production taxes	2,714	3,087	9,705	7,802
	-----	-----	-----	-----
Total	\$ 14,756	\$ 10,307	\$ 40,249	\$ 27,355
	=====	=====	=====	=====
Additional per MCFE data:				
Sales price	\$ 3.12	\$ 3.81	\$ 4.10	\$ 3.40
Lease operating expense	0.85	0.48	0.72	0.46
Transportation costs	0.04	0.03	0.04	0.03
Production taxes	0.20	0.22	0.24	0.20
	-----	-----	-----	-----
Operating margin	\$ 2.03	\$ 3.08	\$ 3.10	\$ 2.71
	=====	=====	=====	=====
Depletion, depreciation and amortization	\$ 1.02	\$ 0.68	\$ 0.94	\$ 0.68
Impairment of proved properties	\$ 0.04	\$ 0.06	\$ 0.02	\$ 0.07
General and administrative	\$ 0.21	\$ 0.17	\$ 0.26	\$ 0.19

(1)Includes the effects of St. Mary's hedging activities.

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Three-Month Comparison

Oil and Gas Production Revenues. St. Mary's quarterly oil and gas production revenues decreased \$12.2 million or 23% to \$41.9 million for the three months ended September 30, 2001 compared with \$54.1 million for the same period in 2000. This decrease was the result of an oil production volume decrease of 14%, a gas production decrease of 2% and decreases in the average price received for both oil and gas in the third quarter of 2001 compared to 2000. The oil production decrease reflects catch-up production amounts received from our interest in the Eugene Island 341 well in the third quarter of 2000. The average realized gas price decreased 24% to \$2.77 per Mcf, while the average realized oil price decreased 3% to \$24.35 per Bbl. These decreases were partially offset by St. Mary's share of revenue from wells completed in 2000 and 2001 that added \$4.6 million of revenue, and our December 2000 acquisition of JN Exploration et al properties that added \$1.4 million of revenue. Average net daily production decreased to 145.7 MMCFE for 2001 compared with 154.3 MMCFE in 2000. A general decrease in daily production from older properties was partially offset by our December 2000 acquisition of JN Exploration et al properties that added 6.1 MMCFE per day and wells completed in 2000 and 2001 that added 18.6 MMCFE per day for the three months ended September 30, 2001.

St. Mary hedged approximately 30% or 184 MBbls of its oil production for the three months ended September 30, 2001 and realized a \$460,000 decrease in oil revenue attributable to hedging compared with a \$3.7 million decrease in 2000. Without these contracts we would have received an average price of \$25.11 per Bbl in the third quarter of 2001 compared to \$30.20 per Bbl in 2000. St. Mary also hedged 41% of its 2001 third quarter gas production or 4.4 million MMBtu and realized a \$187,000 increase in gas revenue from hedging compared with a \$6.6 million decrease in 2000. Without these contracts we would have received an average price of \$2.75 per Mcf for the three months ended September 30, 2001 compared to \$4.31 per Mcf for the same period in 2000.

Oil and Gas Production Costs. Oil and gas production costs consist of lease operating expense, production taxes and transportation expenses. Total production costs increased \$4.4 million or 43% to \$14.8 million for the three months ended September 30, 2001 from \$10.3 million in 2000. In the third quarter of 2001 we experienced a \$2.4 million increase in non-recurring LOE as we continued to take advantage of workover rig availability. Williston basin acquisitions in 2000 have added \$483,000 of production costs. Our JN Exploration et al acquisition properties represented \$441,000 of the total increase. St.

Mary's share of recurring LOE from wells completed in 2000 and 2001 added another \$557,000. We have also experienced higher recurring LOE costs in the Williston basin, the Permian basin and the Gulf Coast/Gulf of Mexico as a result of increased competition for limited availability of services and general cost inflation. Total oil and gas production costs per MCFE increased 51% to \$1.10 for the three months ended September 30, 2001 compared with \$0.73 for 2000. An \$0.18 per MCFE increase was due to non-recurring LOE. The remaining increase was due to transportation costs and general cost inflation partially offset by lower production taxes for the three months ended September 30, 2001.

Depreciation, Depletion, Amortization and Impairment. Depreciation, depletion and amortization expense ("DD&A") increased \$4.1 million or 42% to \$13.7 million for the three months ended September 30, 2001 from \$9.6 million in 2000. DD&A per MCFE increased by 51% to \$1.02 for the third quarter of 2001 compared with \$0.68 in 2000. This increase reflects acquisitions and drilling results in 2000 and 2001 that have added costs at a higher per-unit rate. The unit rate was further affected by downward adjustments to reserves due to the impact of pricing on the economic quantities of reserves at September 30, 2001.

Exploration. Exploration expense increased \$2.0 million or 85% to \$4.3 million for the three months ended September 30, 2001 compared with \$2.3 million in 2000. The increase resulted from an \$849,000 increase in exploratory dry hole costs, a \$629,000 increase in personnel costs associated with exploration activity and a \$478,000 increase in geological and geophysical expenses.

General and Administrative. General and administrative expenses increased \$461,000 or 20% to \$2.8 million for the three months ended September 30, 2001 compared with \$2.3 million in 2000. Increases in compensation expense associated with increased personnel, our incentive plans and general cost inflation were partially offset by a \$432,000 increase in COPAS overhead reimbursement from operations.

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Income Taxes. Income tax expense totaled \$734,000 for the three months ended September 30, 2001 and \$11.3 million in 2000, resulting in effective tax rates of 13.1% and 39.6%, respectively. The difference in rates between the two periods reflects the cumulative effect on temporary differences of changes to estimates of percentage depletion and our state income tax rate based on recent tax filings.

Net Income. Net income for the three months ended September 30, 2001 decreased \$12.3 million or 72% to \$4.9 million compared with \$17.1 million in 2000. A 24% decrease in realized average gas prices and a 3% decrease in realized average oil prices combined with a 2% decrease in gas production and a 14% decrease in oil production resulted in a \$12.2 million decrease in oil and gas production revenue. The increases in production expenses, DD&A, exploration expense and general and administrative expenses were offset by the decrease in income tax expense.

Nine-Month Comparison

Oil and Gas Production Revenues. St. Mary experienced an increase in oil and gas production revenues of \$30.3 million, or 22% to \$165.2 million for the nine months ended September 30, 2001 compared with \$134.9 million for the same period in 2000. The increase was the result of a gas production volume increase of 2% and increases in the average price received for both oil and gas in the first nine months of 2001 compared to 2000. This increase was partially offset by an oil production decrease of 1%. The average realized gas price increased 29% to \$4.09 per Mcf, while the average realized oil price increased 3% to \$24.73 per Bbl. St. Mary's share of revenue from wells completed in 2000 and 2001 added \$27.8 million of revenue, and our December 2000 acquisition of JN Exploration et al properties added \$9.8 million of revenue. Average net daily production increased to 147.5 MMCFE for the first nine months of 2001 compared with 144.7 MMCFE in 2000. Our December 2000 acquisition of JN Exploration et al properties added daily production of 7.4 MMCFE for the nine months ended September 30, 2001. Wells completed in 2000 and 2001 offset 20.7 MMCFE of decline in daily production from older properties.

St. Mary hedged approximately 31% or 568 MBbls of its oil production for the nine months ended September 30, 2001 and realized a \$2.3 million decrease in oil revenue attributable to hedging compared with a \$9.0 million decrease in 2000. Without these contracts we would have received an average price of \$26.02 per Bbl for the nine months ended September 30, 2001 compared to \$28.87 per Bbl in 2000. St. Mary also hedged 42% of its gas production or 13.7 million MMBtu and realized a \$20.3 million decrease in gas revenue for the nine months ended September 30, 2001 compared with a \$9.4 million decrease in gas revenue in 2000. Without these contracts we would have received an average price of \$4.78 per Mcf for the nine months ended September 30, 2001 compared to \$3.51 per Mcf for the same period in 2000.

Oil and Gas Production Costs. Oil and gas production costs consist of lease operating expense, production taxes and transportation expenses. Total production costs increased \$12.9 million or 47% to \$40.2 million for the nine months ended September 30, 2001 from \$27.4 million in 2000. In the first nine months of 2001 we experienced a \$3.7 million increase in non-recurring LOE as we took advantage of workover rig availability. Williston basin acquisitions in the last half of 2000 added \$1.7 million of production costs. Our JN Exploration et al acquisition properties represented \$1.6 million of the total oil and gas production cost increase. St. Mary's share of recurring LOE from wells completed

in 2000 and 2001 added another \$1.5 million. We have also experienced higher recurring LOE costs in the Williston basin, the Permian basin and the Gulf Coast/Gulf of Mexico as a result of increased competition for limited availability of services and general cost inflation. In addition, higher production taxes and transportation expenses resulting from higher oil and gas revenues account for \$1.5 million of the increase. Total oil and gas production costs per MCFE increased 45% to \$1.00 for the nine months ended September 30, 2001 compared with \$0.69 for 2000. A \$0.09 per MCFE increase was due to the increase in non-recurring LOE. Another \$0.06 per MCFE increase was due to increased production taxes and transportation expenses. The remaining increase is due to general cost inflation.

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Depreciation, Depletion, Amortization and Impairment. DD&A increased \$11.1 million or 41% to \$37.9 million for the nine months ended September 30, 2001 from \$26.8 million in 2000. DD&A per MCFE increased by 39% to \$0.94 for the nine months ended September 30, 2001 compared with \$0.68 in 2000. This increase reflects acquisitions and drilling results in 2000 and 2001 that added costs at a higher per unit rate. The DD&A per MCFE rate was further affected by downward adjustments to reserves due to pricing adjustments at September 30, 2001.

Exploration. Exploration expense increased \$8.1 million or 120% to \$14.9 million for the nine months ended September 30, 2001 compared with \$6.7 million in 2000. The increase resulted from a \$4.4 million increase in exploratory dry holes, a \$1.4 million increase in geological and geophysical expense and an increase of \$2.3 million in personnel costs associated with exploration activity.

General and Administrative. General and administrative expenses increased \$2.9 million or 39% to \$10.4 million for the nine months ended September 30, 2001 compared with \$7.4 million in 2000. Increases in compensation expense associated with increased personnel, our incentive plans and general cost inflation were partially offset by a \$3.2 million increase in COPAS overhead reimbursement from operations and costs allocated to exploration expense.

Income Taxes. Income tax expense totaled \$21.1 million for the nine months ended September 30, 2001 and \$25.1 million in 2000, resulting in effective tax rates of 34.8% and 38.8%, respectively. The difference in rates between the two periods reflects the cumulative effect on temporary differences of changes to estimates of percentage depletion and our state income tax rate based on recent tax filings.

Net Income. Net income for the nine months ended September 30, 2001 decreased \$134,000 to \$39.5 million compared with \$39.6 million in 2000. A 29% increase in gas prices and a 3% increase in oil prices combined with a 2% increase in gas production offset by a 1% decrease in oil production resulted in a \$30.3 million increase in oil and gas production revenue. This increase was offset by corresponding increases in oil and gas production costs and DD&A as well as an \$8.1 million increase in exploration expense, and a \$2.9 million increase in general and administrative expense but also reflects a \$4.0 million decrease in income tax expense. A decrease in the pre-tax gain on the sale of proved properties was exactly offset by decreases in proved and unproved property impairments in 2001.

Liquidity and Capital Resources

St. Mary's primary sources of liquidity are the cash provided by operating activities, debt financing, sales of non-strategic properties and access to the capital markets. Our cash needs are for the acquisition, exploration and development of oil and gas properties and for the payment of debt obligations, trade payables and stockholder dividends. Exploration and development programs are generally financed from internally generated cash flow, bank debt and cash and cash equivalents on hand. The capital expenditure budget is continually reviewed based on changes in cash flow and other factors.

Cash Flow. St. Mary's net cash provided by operating activities increased \$56.1 million or 101% to \$111.9 million for the nine months ended September 30, 2001 compared with \$55.7 million in 2000. The increase reflects the effect of higher oil and gas production revenues, an increase in accounts payable and a decrease in accounts receivable for the period ended September 30, 2001.

Exploratory dry hole costs are included in cash flows from investing activities even though these costs are expensed as incurred. If exploratory dry hole costs had been included in operating cash flows, the net cash provided by operating activities would have been \$106.0 million and \$54.4 million in the first nine months of 2001 and 2000, respectively.

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Net cash used in investing activities increased \$36.5 million or 65% to \$92.7 million for the nine months ended September 30, 2001 compared with \$56.3 million in 2000. This increase is due to increased capital expenditures and a decrease in proceeds from the sale of oil and gas properties that are partially offset by the receipt of \$7.4 million of proceeds from the December

2000 sale of KMOC stock. Total capital expenditures, including acquisitions of oil and gas properties, in the first nine months of 2001 increased \$42.4 million or 72% to \$101.5 million compared with \$59.0 million in the first nine months of 2000.

If exploratory dry hole costs had been included in operating cash flows rather than in investing cash flows, net cash used in investing activities would have been \$86.9 million and \$55.0 million in the first nine months of 2001 and 2000, respectively.

Net cash used in financing activities increased \$12.5 million or 177% to \$19.5 million for the nine months ended September 30, 2001 compared with \$7.1 million in 2000. St. Mary made net repayments of \$7.7 million of debt in 2001 compared to a \$10.0 net debt repayment in 2000. Additionally, we repurchased \$12.5 million more of our own common stock and received \$3.0 million less in proceeds from the sale of our common stock during the first three quarters of 2001 compared to 2000. All sales of our common stock resulted from stock option exercises and sales under St. Mary's employee stock purchase plan.

St. Mary had \$6.2 million in cash and cash equivalents and had working capital of \$23.4 million as of September 30, 2001 compared with \$6.6 million in cash and cash equivalents and working capital of \$40.6 million at December 31, 2000. The small change in cash and cash equivalents reflects that our cash provided by operations was sufficient to cover our increased capital expenditures, our debt repayment and our repurchase of St. Mary's common stock during the first nine months of 2001.

Credit Facility. On April 30, 2001 St. Mary entered into an agreement to amend the existing long-term revolving credit agreement. The maximum loan amount remains at \$200.0 million. The lender may periodically re-determine the aggregate borrowing base depending upon the value of St. Mary's oil and gas properties and other assets. The amendment increases the borrowing base by \$30.0 million to \$170.0 million. The accepted borrowing base was \$40.0 million at September 30, 2001. The credit agreement has a maturity date of December 31, 2006, and includes a revolving period that matures on June 30, 2003. The amended agreement deletes all references to and provisions of the short-term tranche previously available to St. Mary. We must comply with certain covenants including maintenance of stockholders' equity at a specified level and limitations on additional indebtedness. As of September 30, 2001 and December 31, 2000, \$14.3 million and \$22.0 million, respectively, was outstanding under this credit agreement. These outstanding balances accrue interest at rates determined by St. Mary's debt to total capitalization ratio. During the revolving period of the loan, loan balances accrue interest at our option of either (1) the higher of the federal funds rate plus 1/2% or the prime rate, or (2) LIBOR plus 3/4% when our debt to total capitalization is less than 30%, up to a maximum of either (a) the higher of the federal funds rate plus 3/4% or the prime rate plus 1/4%, or (b) LIBOR plus 1-3/8% when our debt to total capitalization is equal to or greater than 50%. The debt to total capitalization ratio as defined under the agreement was 4.8% as of September 30, 2001.

Common Stock. At the annual shareholder meeting on May 23, 2001 the shareholders of St. Mary voted to increase the amount of authorized common shares to 100,000,000.

In July 2000 St. Mary's board of directors approved a two-for-one stock split effected in the form of a stock dividend whereby one additional common share of stock was distributed for each common share outstanding. The stock split was distributed on September 5, 2000 to shareholders of record as of the close of business on August 21, 2000. All share and per share amounts for all periods presented herein have been restated to reflect this stock split.

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In August 1998 St. Mary's board of directors authorized a stock repurchase program whereby we may purchase from time-to-time, in open market transactions or negotiated sales, up to two million of our common shares. Through December 31, 2000 we had repurchased a total of 395,600 shares of St. Mary's common stock under the program for \$3.3 million at a weighted average price of \$8.44 per share. To date in 2001 we have repurchased an additional 614,300 shares for a weighted average price of \$20.64 per share. We anticipate that additional purchases of shares may occur as market conditions warrant. As part of this program we sold put options in April 2001 whereby the holder had the right to require St. Mary to purchase up to 100,000 shares of St. Mary's common stock from the holder at \$20.22 per share on July 11, 2001. We received a \$99,000 premium from this sale. These options expired unexercised. In June 2001 we sold additional put options whereby we could be required to purchase up to 100,000 shares of our common stock from the holder at \$19.22 per share on September 24, 2001. We received a \$94,000 premium from this sale. The holder exercised these options, and we repurchased the stock on September 24, 2001. Any future purchases will be funded with internal cash flow and borrowings under St. Mary's credit facility.

Capital and Exploration Expenditures Incurred. St. Mary's expenditures for exploration and development of oil and gas properties and acquisitions are the primary use of its capital resources. The following table sets forth certain information regarding the costs incurred by St. Mary in its oil and gas activities during the periods indicated:

Capital and Exploration Expenditures

Nine Months Ended September 30,

	2001	2000
	----	----
	(In thousands)	
Development	\$ 74,346	\$ 34,004
Domestic Exploration	18,451	12,326
Acquisitions:		
Proved	3,819	13,349
Unproved	18,188	3,464
	-----	-----
 Total	 \$ 114,804	 \$ 63,143
	=====	=====

We continuously evaluate opportunities in the marketplace for oil and gas properties and, accordingly, may be a buyer or a seller of properties at various times. We will continue to emphasize smaller niche acquisitions utilizing St. Mary's technical expertise, financial flexibility and structuring experience. In addition, we are also actively seeking larger acquisitions of assets or companies that would afford opportunities to expand our existing core areas, to acquire additional geoscientists or to gain a significant acreage and production foothold in a new basin.

St. Mary's total costs incurred for capital and exploration activities in the first nine months of 2001 increased \$51.7 million or 82% compared to the first nine months of 2000. We spent \$111.0 million in the first nine months of 2001 for unproved property acquisitions and domestic exploration and development compared to \$49.8 million for the comparable period in 2000. Unproved property acquisitions increased by \$14.7 million as a result of general leasing activity and our acquisition of leases in the Hanging Woman Basin of Montana and Wyoming for coalbed methane development. A 17 well pilot drilling program will commence on this property in the fourth quarter of 2001. The remaining increase is primarily the result of increased drilling activity.

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In October 2001 we entered into a purchase and sale agreement to acquire oil and gas properties from Choctaw II Oil & Gas, Ltd. for \$41 million in cash. We plan to utilize a portion of our credit facility for the acquisition. The properties are primarily located in the Williston basin of Montana and North Dakota and the Green River basin in Wyoming and currently produce an estimated 1,200 Bbls of oil and 4,600 Mcf of gas per day, net to the interests to be acquired. The acquisition is expected to close in late November 2001 after completion of due diligence procedures.

Outlook. Management believes that St Mary's existing capital resources, cash flows from operations and available borrowings are sufficient to meet its anticipated capital and operating requirements for the remainder of 2001.

We now anticipate spending approximately \$180.0 million for capital and exploration expenditures in 2001 with \$138.0 million allocated for ongoing exploration and development and \$42.0 million for acquisitions of producing properties. Anticipated ongoing exploration and development expenditures for each of St. Mary's core areas is as follows:

o	Mid-Continent region	\$55.0 million
o	Gulf Coast and Gulf of Mexico region	\$39.0 million
o	ArkLaTex region	\$15.0 million
o	Williston Basin	\$26.0 million
o	Permian Basin and other	\$ 3.0 million

The amount not funded from our internally generated cash flow in 2001 can be funded from our credit facility. The amount and allocation of future capital and exploration expenditures will depend upon a number of factors including the number and size of available acquisition opportunities and our ability to assimilate these acquisitions. Also, the impact of oil and gas prices on investment opportunities, the availability of capital and borrowing capability and the success of our development and exploratory activity could lead to funding requirements for further development.

Natural gas prices declined further during the quarter reflecting a drop in demand associated with the downturn in the economy as well as high gas volumes in storage relative to prior years. We enter this winter season with very high storage. Stronger prices will depend on a colder winter and a recovering economy. Oil prices fell some at the end of the quarter but still remain in historically normal ranges. With declining demand we anticipate that oil prices we receive in the future will reflect OPEC policy and discipline. Our production base and balance sheet continue to be strong. We have experienced general cost inflation in both the drilling and service sector of our industry. We note however that rig and service availability are easing and that costs have flattened or declined modestly. Our recent experience in the acquisition market for properties has been varied. We were successful in our bid for properties from Choctaw II Oil & Gas, Ltd., but we generally feel that the market continues to be overheated. We remain disciplined and patient. We are currently forecasting the following information for St. Mary for 2001:

- o Lease operating expense, including production taxes and transportation \$0.95-1.05/MCFE
- o Depreciation, depletion and amortization \$0.95-1.05/MCFE
- o General and administrative expense \$0.24-0.28/MCFE
- o Income taxes to be paid in the current year are expected to approximate between 5% and 10% of total tax expense and will depend upon prices we receive and actual expenditures for intangible drilling costs
- o Discretionary cash flows-a common industry financial measure computed as net income using a NYMEX gas price of \$4.44 and a NYMEX oil price of \$26.38 plus depreciation, depletion, amortization, impairments, deferred taxes and exploration expense \$4.75-\$5.25/common share

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St. Mary seeks to protect its rate of return on acquisitions of producing properties by hedging cash flow when the economic criteria from its evaluation and pricing model indicate it would be appropriate. Management's strategy is to hedge cash flows from investments requiring a gas price in excess of \$2.75 per Mcf and an oil price in excess of \$22.00 per Bbl in order to meet minimum rate-of-return criteria. We anticipate this strategy will result in the hedging of future cash flow from acquisitions. We generally limit St. Mary's aggregate hedge position to no more than 35% of total production but will hedge up to 50% of total production in certain circumstances. We seek to minimize basis risk and index the majority of oil hedges to NYMEX prices and the majority of gas hedges to various regional index prices associated with pipelines in proximity to St. Mary's areas of gas production. Please see the discussion in Accounting Matters below. Including hedges entered into since September 30, 2001 we have hedged as follows:

Swaps:

Product	Average Volumes/month	Quantity Type	Average Fixed price	Duration
Natural Gas	193,000	MMBtu	\$3.56	10/01 - 12/01
Natural Gas	204,000	MMBtu	\$3.15	01/02 - 12/02
Natural Gas	100,000	MMBtu	\$2.74	01/03 - 12/03
Oil	49,400	Bbls	\$25.66	10/01 - 12/01
Oil	119,600	Bbls	\$24.73	01/02 - 12/02
Oil	79,800	Bbls	\$22.71	01/03 - 12/03

Collars:

Product	Average Volumes/month	Ceiling Price	Floor Price	Duration
Natural Gas	150,000 MMBtu	\$2.9400	\$2.3000	10/01 - 12/01
Natural Gas	150,000 MMBtu	\$2.9000	\$2.3000	10/01 - 12/01
Natural Gas	250,000 MMBtu	\$2.8775	\$2.3540	10/01 - 12/01
Natural Gas	250,000 MMBtu	\$2.8192	\$2.3540	10/01 - 12/01
Natural Gas	250,000 MMBtu	\$3.5000	\$2.4000	10/01 - 12/01
Natural Gas	350,000 MMBtu	\$5.8000	\$3.0000	10/01 - 12/01
Oil	7,500 Bbls	\$20.6400	\$16.4400	10/01 - 12/01
Oil	7,500 Bbls	\$20.9000	\$16.7000	10/01 - 12/01
Oil	15,000 Bbls	\$27.2200	\$19.0000	10/01 - 12/01
Oil	7,000 Bbls	\$21.0000	\$18.0000	10/01 - 12/01
Oil	10,000 Bbls	\$25.1000	\$19.5000	10/01 - 12/01

If all these commodity hedging contracts had closed on September 30, 2001 St. Mary would have received approximately \$5.8 million based on quarter-end pricing. As of that date we had no margin deposits outstanding to counterparties.

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Accounting Matters

On January 1, 2001 we adopted Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." The adoption of SFAS No. 133 resulted in St. Mary recording a liability of \$45.7 million for the fair value of the derivative instruments at January 1, 2001. The adoption entry resulted in deferral of the recognition of this liability to accumulated other comprehensive loss of \$28.6 million at January 1, 2001. For the first nine months of 2001 we recognized no net hedge gain or loss from hedge ineffectiveness on derivative instruments that were designated and qualified as cash flow hedging instruments. We anticipate that all hedge transactions will occur as expected. Based on current prices we anticipate that \$3.5 million of the after tax income amount included in accumulated and other comprehensive income will be included in earnings during the next 12 months.

In June 2001 the FASB issued SFAS No. 141, "Business Combinations." Under this statement all business combinations must be accounted for under the

purchase method. The pooling method is no longer allowed. The statement also establishes criteria to assess when to recognize intangible assets separately from goodwill. SFAS No. 141 is effective for business combinations initiated after June 30, 2001 and for all business combinations using the purchase method for which the date of acquisition is after June 30, 2001. At this time we have no pending business combinations that would be affected by the adoption of this statement.

In June 2001 the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets." This statement addresses the accounting for goodwill and other intangible assets and provides specific guidance for testing goodwill and other intangible assets for impairment. This statement is effective for fiscal years beginning after December 15, 2001. We do not anticipate that the adoption of this statement will have a material effect on our financial position or results of operations.

In July 2001 the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This statement requires companies to recognize the fair value of an asset retirement liability in the financial statements by capitalizing that cost as part of the cost of the related long-lived asset. The asset retirement liability should then be allocated to expense by using a systematic and rational method. The statement is effective for fiscal years beginning after June 15, 2002. We have not determined the impact of adoption of this statement.

In August 2001 the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." This statement provides a single accounting model for long-lived assets to be disposed of and changes the criteria that would have to be met to classify an asset as held-for-sale. The statement also requires expected future operating losses from discontinued operations to be recognized in the periods in which the losses are incurred, which is a change from the current requirement of recognizing such operating losses as of the measurement date. The statement is effective for fiscal years beginning after December 15, 2001. We do not anticipate that the adoption of the statement will have a material effect on St. Mary's financial position or results of operations.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

St. Mary holds derivative contracts and financial instruments that have cash flow and net income exposure to changes in commodity prices or interest rates. Financial and commodity-based derivative contracts are used to limit the risks inherent in some crude oil and natural gas price changes that have an effect on us. In prior years we have occasionally hedged interest rates, and may do so in the future should circumstances warrant.

Our board of directors has adopted a policy regarding the use of derivative instruments. This policy requires every derivative used by St. Mary to relate to underlying offsetting positions, anticipated transactions or firm commitments. It prohibits the use of speculative, highly complex or leveraged derivatives. Under the policy, the Chief Executive Officer and Vice President of Finance must review and approve all risk management programs that use derivatives. The board of directors periodically reviews these programs.

Commodity Price Risk. St. Mary uses various hedging arrangements to manage its exposure to price risk from its natural gas and crude oil production. These hedging arrangements have the effect of locking in for specified periods, at predetermined prices or ranges of prices, the prices we will receive for the volumes to which the hedge relates. Consequently, while these hedging arrangements are structured to reduce our exposure to decreases in prices associated with the hedged commodity, they also limit the benefit we might otherwise receive from any price increases associated with the hedged commodity. The derivative gain or loss effectively offsets the loss or gain on the underlying commodity exposures that have been hedged. The fair values of the swaps are estimated based on quoted market prices of comparable contracts and approximate the net gains or losses that would have been realized if the contracts had been closed out at quarter-end. The fair values of the futures are based on quoted market prices obtained from the New York Mercantile Exchange.

A hypothetical \$0.10 per MMBtu change in St. Mary's quarter-end market prices for natural gas swaps and futures contracts on a notional amount of 8.4 million MMBtu would cause a potential \$416,000 change in net income before income taxes for contracts in place on September 30, 2001. A hypothetical \$1.00 per Bbl change in our quarter-end market prices for crude oil swaps and future contracts on a notional amount of 2.7 MMBbls would cause a potential \$2.3 million change in net income before income taxes for oil contracts in place on September 30, 2001. These hypothetical changes were discounted to present value using a 7.5% discount rate since the latest expected maturity date of certain swaps and futures contracts is greater than one year from the reporting date.

Interest Rate Risk. Market risk is estimated as the potential change in fair value resulting from an immediate hypothetical one percentage point parallel shift in the yield curve. A sensitivity analysis presents the hypothetical change in fair value of those financial instruments held by St. Mary at September 30, 2001 which are sensitive to changes in interest rates. For fixed-rate debt, interest rate changes affect the fair market value but do not impact results of operations or cash flows. Conversely for floating rate debt, interest rate changes generally do not affect the fair market value but do

impact future results of operations and cash flows, assuming other factors are held constant. The carrying amount of our floating rate debt approximates its fair value. At September 30, 2001 we had floating rate debt of \$14.4 million and had no fixed rate debt. Assuming constant debt levels, the impact on results of operations and cash flows for the remainder of the year resulting from a one-percentage-point change in interest rates would be approximately \$36,000 before taxes.

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PART II. OTHER INFORMATION

ITEM 2. Changes in Securities and Use of Proceeds

(c) In June 2001 St. Mary sold to a different single purchaser 100,000 put options on its own common stock for \$94,000 in cash. Those put options gave the holder the right to require St. Mary to purchase up to 100,000 shares of its own common stock from the holder at \$19.22 per share on September 24, 2001. The holder exercised those options, and St. Mary was required to purchase 100,000 shares of its own common stock at 19.22 per share. The above securities were not registered under the Securities Act of 1933 in reliance on the exemption from registration provided by Section 4(2) of the Securities Act for transactions by an issuer not involving any public offering since the two purchasers are accredited investors and the option documents reflect the fact that the purchasers purchased the securities for their own account without a view to the distribution thereof.

ITEM 5. Other Information

In St. Mary's proxy statement dated April 12, 2001 for the 2001 annual meeting of stockholders held on May 23, 2001, St. Mary disclosed under the caption "Future Stockholder Proposals" that if notice of a St. Mary stockholder proposal for the annual meeting of stockholders in 2002 for which the stockholder will conduct his or her own proxy solicitation is not received by March 1, 2002, proxies solicited by the St. Mary board of directors may use their discretionary voting authority when the matter is raised at the meeting, without including any discussion of the matter in the proxy statement.

However, on July 19, 2001, the St. Mary board of directors adopted amendments to the St. Mary by-laws to establish advance notice requirements and deadlines for notice of business (including director nominations) to be properly presented by a stockholder at an annual meeting of stockholders that supersedes the deadline disclosed in the April 12, 2001 proxy statement. Those by-law provisions generally require that advance written notice in proper form (as set forth in the by-laws) of stockholder proposals for matters to be brought before the next regularly scheduled annual stockholders meeting, including the nominations of directors be received by St. Mary not less than 75 days nor more than 105 days before the first anniversary date of the immediately preceding annual meeting of stockholders. Accordingly, notice of stockholder proposals for the annual meeting of stockholders in 2002 must be received by St. Mary between February 7, 2002 and March 9, 2002. If a stockholder proposal or director nomination is not made in accordance with the by-laws, as amended, such proposal or nomination shall be disregarded at the meeting of stockholders.

ITEM 6. Exhibits and Reports on Form 8-K

(a)	Exhibit	Description
	3.1	Restated By-Laws of St Mary Land & Exploration Company as amended in July 2001
	10.1	Form of Change of Control Severance Agreements
(b)	No reports on Form 8-K were filed during the quarter ended September 30, 2001.	

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ST. MARY LAND & EXPLORATION COMPANY

November 9, 2001 By /s/ MARK A. HELLERSTEIN
Mark A. Hellerstein
President and Chief Executive Officer

November 9, 2001

By /s/ RICHARD C. NORRIS

Richard C. Norris
Vice President - Finance, Secretary
and Treasurer

November 9, 2001

By /s/ GARRY A. WILKENING

Garry A. Wilkening
Vice President - Administration and
Controller

RESTATED BY-LAWS

OF

ST. MARY LAND & EXPLORATION COMPANY

NAME

1. The title of this Corporation is St. Mary Land & Exploration Company.

OFFICE

2. This Corporation may establish or discontinue, from time to time, such offices and places of business within or without the State of Delaware as the Board of Directors may deem proper for the conduct of the Corporation's business.

SEAL

3. The corporate seal of this Corporation shall have inscribed thereon the name of this Corporation and the year of its creation and the words "Corporate Seal, Delaware."

STOCKHOLDERS' MEETINGS

4. (a) The annual meeting of the Stockholders shall be held on the third Thursday in May of each year, or at such other time, at the principal office of the Corporation, or such other place, within or without the State of Colorado, as the Board of Directors may determine, when the Stockholders shall elect a Board of Directors for the ensuing year and transact such other business as may come before it.

(b) Special meetings of the Stockholders shall be held at the place prescribed for the annual meetings, unless otherwise ordered by the Board of Directors, and may be called by the Chairman of the Board and the President or on the written request of any four Directors who may include the Chairman of Board or the President.

(c) Except as otherwise provided by law or the Certificate of Incorporation, the holders of one-third (1/3) of the shares of the capital stock entitled to vote at the meeting present in person or by proxy shall constitute a quorum at all meetings of the Stockholders. In the absence of a quorum, the holders of a majority of such shares of stock present in person or by proxy may adjourn any meeting from time to time, until a quorum shall be present. At any such adjourned meeting at which a quorum may be present, any business may be transacted which might have been transacted at the meeting as originally called. No notice of any adjourned meeting need be given other than by announcement at the meeting that is being adjourned, provided that if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, then a notice of the adjourned meeting shall be given to each Stockholder of record entitled to vote at the meeting.

(d) Each Stockholder of record, as determined pursuant to Article 16 of these By-Laws, shall be entitled to one vote either in person or by proxy for each share of capital stock registered in his name on the books of the Corporation, provided, that, each stockholder of record of a fractional share shall be entitled to a vote equal to such fractional share. Except as otherwise provided by law, by the Certificate of Incorporation or by Article 5 of these By-Laws, all elections of directors and all other actions to be taken by Stockholders shall be decided by the vote of the holders of a majority of the shares of capital stock present in person or by proxy at the meeting and entitled to vote in the election or on the action.

(e) Notice of the meetings and the conduct of the same shall be as prescribed by the Board of Directors, subject to applicable law and the provisions of these By-Laws.

(f) Any action required to be taken, or which may be taken, at any meeting of Stockholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of shares of outstanding capital stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of stock entitled to vote thereon were present and voted; provided, that prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to those Stockholders who have not consented in writing.

(g) At an annual meeting of the Stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (ii) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (iii) otherwise properly brought before the annual meeting by any Stockholder of the Corporation (A) who is a Stockholder of record on the date of the giving of notice provided for in this subsection (g) and on the record date for the determination of Stockholders entitled to vote at such annual meeting and (B) who complies with the notice procedures set forth in this subsection (g).

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a Stockholder, such Stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a Stockholder's notice to the Secretary must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than seventy-five (75) days nor more than one hundred five (105) days prior to the first anniversary date of the immediately preceding annual meeting of the Stockholders, provided, however, that if the date of the annual meeting is called for a date that is not within twenty (20) days before or after such anniversary date, in order to be timely notice by the Stockholder must be so delivered or received not later than the close of business on the tenth (10th) day following the day on which public disclosure of the date of the annual meeting is first made.

To be in proper written form, a Stockholder's notice to the Secretary must set forth as to each matter the Stockholder proposes to bring before the annual meeting (i) a brief description of the proposal desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and address, as they appear on the Corporation's books, of the Stockholder proposing such business and any other Stockholders known by such Stockholder to be supporting such proposal, (iii) the class and number of shares of the Corporation's capital stock which are owned beneficially and of record by the Stockholder on the date of such Stockholder notice and by any other Stockholders known by such Stockholder to be supporting such proposal on the date of such Stockholder notice, (iv) a description of all arrangements or understandings between such Stockholder and any other person or persons (including their names) in connection with the proposal of such business by such Stockholder and any material interest of such Stockholder in such proposal and (v) a representation that such Stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

No business shall be conducted at an annual meeting of the Stockholders except business brought before the annual meeting in accordance with the procedures set forth in this subsection (g), provided, however, that once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this subsection (g) shall be deemed to preclude

discussion by any Stockholder of any such business. If the Chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

(h) Only persons who are nominated in accordance with the following procedures shall be eligible for the election as Directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of the Stockholders, or at any special meeting of the Stockholders called for the purpose of electing Directors (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (ii) by any Stockholder of the Corporation (A) who is a Stockholder of record on the date of the giving of the notice provided for in this subsection (h) and on the record date for the determination of Stockholders entitled to vote for the election of Directors at such meeting and (B) who complies with the notice procedures set forth in this subsection (h).

In addition to any other applicable requirements, for a nomination to be made by a Stockholder such Stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a Stockholder's notice to the Secretary must be delivered to, or mailed and received at, the principal executive offices of the Corporation (i) in the case of an annual meeting of the Stockholders, not less than seventy-five (75) days nor more than one hundred five (105) days prior to the first anniversary date of the immediately preceding annual meeting of the Stockholders, provided, however, that if the date of the annual meeting is called for a date that is not within twenty (20) days before or after such anniversary date, in order to be timely notice by the Stockholder must be so delivered or received not later than the close of business on the tenth (10th) day following the day on which public disclosure of the date of the annual meeting is first made, and (ii) in the case of a special meeting of the Stockholders called for the purpose of electing Directors, not later than the close of business on the tenth (10th) day following the day on which public disclosure of the date of such meeting is first made.

To be in proper written form, a Stockholder's notice to the Secretary must set forth (i) as to each person whom the Stockholder proposes to nominate for election as a Director, (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class and number of shares of capital stock of the Corporation that are owned beneficially and of record by the person, and (D) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder, and (ii) as to the Stockholder giving the notice, (A) the name and address, as they appear on the Corporation's books, of such Stockholder, (B) the class and number of shares of the Corporation's capital stock which are owned beneficially and of record by such Stockholder on the date of such Stockholder notice, (C) a description of all arrangements or understandings between such Stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such Stockholder, (D) a representation that such Stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in the notice and (E) any other information relating to such Stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a Director if elected.

No person shall be eligible for election as a Director of the Corporation unless nominated in accordance with the procedures set forth in this subsection (h). If the Chairman of the meeting of the Stockholders determines that a nomination was not made in accordance with the foregoing procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

DIRECTORS

5. (a) The property and business of this Corporation shall be managed by a Board of at least three Directors.

(b) The number of Directors may be fixed from time to time by resolution by the Board of Directors but shall not be less than three; the Board of Directors may at any regular or special meeting increase its number by electing additional members to hold office until the next annual meeting of the Stockholders, or until their successors shall be elected and qualified or until their earlier resignation or removal.

(c) Regular meetings of the Board of Directors shall be held at such times as may be determined by resolution of the Board of Directors and no notice shall be required for any regular meeting. Except as otherwise provided by law, any business may be transacted at any regular meeting of the Board of Directors.

(d) Special meetings of the Board of Directors shall be called by the Secretary on the request of the President, or on the request in writing of any two other Directors stating the purpose or purposes of such meeting. Notice of any special meeting shall be in form approved by the President. Notices of special meetings shall be mailed to each Director, addressed to him at his residence or usual place of business, not later than three (3) days before the day on which the meeting is to be held, or shall be sent to him at such place by telegraph, cable or other form of recorded communication or be delivered personally or by telephone, not later than the day before such day of meeting. Notice of any meeting of the Board of Directors need not be given to any Director if he shall sign a written waiver thereof either before or after the time stated therein, or if he shall attend a meeting, except when he attends such meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in any notice or written waiver of notice. Unless limited by law, by the Certificate of Incorporation or by these By-Laws, any and all business may be transacted at any special meeting.

(e) A majority of the whole Board of Directors (the whole Board of Directors being the number of Directors fixed by resolution of the Board of Directors from time to time) shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless otherwise provided by law, the Certificate of Incorporation or these By-Laws. A majority of the Directors present at any meeting may adjourn the meeting from time to time without further notice other than announcement at the meeting. If at any meeting a quorum is not present, a majority of the Directors present may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum is present.

(f) Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof, may be taken without a meeting if all members of the Board of Directors, or of such committee, as the case may be, consent thereto in writing, and such written consent is filed with the minutes of the proceedings of the Board of Directors or of such committee. Furthermore, members of the Board of Directors, or any committee thereof, may participate in a meeting of the Board of Directors, or of such committee, by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

(g) In case of any increase in the number of Directors, or of any vacancy in the Board of Directors, the additional Director or Directors shall be

ected, or, as the case may be, the vacancy or vacancies shall be filled by the Board of Directors at any meeting by the affirmative vote of a majority of the remaining Directors, notwithstanding that the remaining Directors may be less than a quorum, or by the sole remaining Director. The Directors so chosen shall hold office until the next annual meeting of Stockholders and until their successors are elected and qualify or until their earlier resignation or removal.

(h) By resolution of the Board of Directors, any Director may be paid any one or more of the following: his expenses, if any, of attendance at meetings; a fixed sum for attendance at meetings; or a stated salary as Director. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any capacity as an officer, employee, agent or otherwise, and receiving compensation therefor.

(i) The Board of Directors shall have power to elect or appoint all necessary officers and committees, to employ agents, factors, clerks and workmen, to require any of them to give such bond for the faithful discharge of their duties as may be deemed wise, to fix their compensation, to prescribe their duties, to dismiss any appointed officer or employee, and generally to control all the officers of the Corporation.

(j) The Board of Directors may, by resolution passed by a majority of the whole Board of Directors as specified in the Certificate of Incorporation, designate one or more committees, each to consist of one or more of the Directors of the Corporation, and may appoint chairmen of any such committees. To the extent provided in the resolution designating such committee, and to the extent permitted by law, each such committee shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

(k) The Board of Directors, in addition to the powers and authority expressly conferred upon them by these By-Laws, may exercise all such powers and do all such things as may be exercised or done by the Corporation, but subject, nevertheless, to the provisions of the law, of the Certificate of Incorporation, and of these By-Laws.

(l) A Director of the Company may be removed by a vote of the Stockholders for cause, as determined by the written opinion of independent counsel of the Company.

OFFICERS

6. The officers of the corporation shall be a Chairman of the Board, President, one or more Vice Presidents, a Secretary, a Treasurer, one or more Assistant Secretaries, one or more Assistant Treasurers, a Controller and such other officers as may from time to time be elected or appointed by the Board of Directors. The determination of whether or not to fill such positions shall be within the discretion of the Board of Directors, except as otherwise provided by law. Any offices except those of President and Vice President or President and Secretary may be held by the same person. All officers shall serve at the pleasure of the Board of Directors. Any officer may be removed by the Board of Directors at anytime with or without cause. A vacancy in any office shall be filled by the Board of Directors.

CHAIRMAN OF THE BOARD

7. The Chairman of the Board shall preside at all meetings of the Stockholders and at all meetings of the Board of Directors. He shall have general powers and duties of management and such other powers and duties as may be prescribed by the Board of Directors or the By-Laws.

PRESIDENT

8. The President shall be a member of the Board of Directors, and he shall be the chief executive officer of the Corporation and shall exercise general supervision and administration over all its affairs and shall have such further duties as are incident to the office of President or prescribed by law or as shall from time to time be designated by the Board of Directors. He shall, in the absence of the Chairman of the Board, preside at all meetings of the Stockholders and Directors. He shall sign or countersign as may be necessary all such bills, notes, checks, contracts and other instruments as may pertain to the business and affairs of the Corporation, and he shall sign, when duly authorized, all contracts, orders, deeds, liens, licenses and other instruments of a special nature. He shall, as far as may be possible and desirable, familiarize himself with and exercise supervision over the affairs of this or any other corporation in which this Corporation may be interested.

VICE-PRESIDENT

9. In the absence of the President or in the event of his inability or refusal to act, the Vice-President, if any (or, if there be more than one, the Vice Presidents in the order designated by the President, subject to revision by the Board of Directors, and, absent such designation or revision, in the order of their first election to that office), shall perform the duties and discharge the responsibilities of the President. They shall have such other duties and powers as shall from time to time be designated by the Board of Directors or by the President.

SECRETARY

10. The Secretary shall be sworn to the faithful discharge of his duties and shall keep full minutes of all the meetings of the Stockholders and of the Board of Directors, and shall perform the same duty for the standing committees when required. He shall issue all calls for meetings of the Stockholders and Directors and shall notify all officers and Directors of their election. He shall have charge of the seal of the Corporation and affix the same to any instrument requiring it. He shall have charge of the stock certificate books, stock transfer books, and stock ledgers, and such other books and papers as the Board of Directors may place in his charge. He shall make such reports to the Board of Directors as they may require, and he shall also prepare such reports and statements as may be required by the provisions of the law.

ASSISTANT SECRETARY

11. The Assistant Secretary (or if there be more than one, the Assistant Secretaries in the order designated by the President, subject to revision by the Board of Directors, and, absent such designation or revision, in the order of their first election to that office) shall, in the absence, disability, or refusal to act of the Secretary, be vested with all the powers of the Secretary and shall perform all his duties. He shall assist the Secretary in the performance of his duties, and shall have such powers and perform such other duties as the Board of Directors may from time to time direct.

TREASURER

12. The Treasurer shall be the custodian of all the funds and securities of the Corporation and shall keep full and accurate records and accounts in books provided for that purpose of all receipts, disbursements, credits, assets, liabilities and general financial transactions of the Corporation. He shall endorse for collection or deposit, to the credit of the Corporation, all bills, notes, checks and other negotiable instruments of the Corporation coming into his hands in such depositories and safe deposits as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the specific instructions of the Board of Directors or any committee established thereby, taking proper vouchers for all such disbursements, and he shall give bond to the Corporation in such sum and with such surety as shall be satisfactory to the proper officers of the Corporation.

ASSISTANT TREASURER

13. The Assistant Treasurer (or, if there be more than one, the

Assistant Treasurers in the order designated by the President, subject to revision by the Board of Directors, and, absent such designation or revision, in the order of their first election to that office) shall, in the absence, disability or refusal to act of the Treasurer, be vested with all the powers of the Treasurer and shall perform all his duties. He shall assist the Treasurer in the performance of his duties, and shall have such powers and perform such other duties as the Board of Directors may from time to time direct.

CONTROLLER

14. The Controller shall exercise and perform such powers and duties with respect to the administration of the business and affairs of the Corporation as may from time to time be assigned to him by the Board of Directors.

OFFICER PRO TEM

15. In the absence of any officer, the Board of Directors may delegate his powers and duties to any other officers or to any Director, for the time being.

STOCK

16. (a) Every Stockholder shall be entitled to have a certificate, in such form as the Board of Directors shall from time to time approve, signed by or in the name of the Corporation by the President or any Vice-President and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, certifying the number of shares owned by him.

(b) Any or all the signatures on a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

(c) A record of the name and address of the holder of such certificate, the number of shares represented thereby, and the date of issue thereof, shall be made on the Corporation's books. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof, and accordingly, shall not be bound to recognize any equitable or other claim to or interest in any share on the part of any other person whether or not it shall have express or other notice thereof, except as required by the laws of Delaware.

(d) Any person claiming a stock certificate in lieu of one lost, stolen, mutilated or destroyed shall give the Corporation an affidavit as to his ownership of the certificate and of the facts as to its loss, theft, mutilation or destruction. He shall also, if required by the Board of Directors, give the Corporation a bond, in such form and amount as may be approved by the Board of Directors, sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss or theft of the certificate or the issuance of a new certificate.

(e) The Corporation may maintain one or more transfer offices or agencies, each under the control of a transfer agent designated by the Board of Directors, where the shares of stock of the Corporation shall be transferable. The Corporation may also maintain one or more registry offices, each under the control of a registrar designated by the Board of Directors, wherein such shares of stock shall be registered.

(f) Transfer of shares shall, except as provided in paragraph 16(d) of this Article, be made on the books of the Corporation only by direction of the person named in the certificate or his attorney, lawfully constituted in writing, and only upon the surrender for cancellation of the certificate therefor, duly endorsed or accompanied by a written assignment of the shares evidenced thereby.

(g) In order that the Corporation may determine the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action.

INSPECTION OF BOOKS AND ACCOUNTS

17. Except as otherwise provided by law and the Certificate of Incorporation, the Directors shall determine from time to time whether, and, if allowed, when and under what conditions and regulations the accounts and books of the Corporation, or any of them, shall be open to the inspection of the Stockholders, and the Stockholders' rights in this respect are and shall be restricted and limited accordingly.

ALTERATION AND AMENDMENT

18. The Board of Directors may by a majority vote of the whole Board, adopt, amend or repeal these By-Laws at any regular meeting or at any special meeting.

DEFERRED MEETINGS

19. If any meeting provided for in these By-Laws should fall upon a legal holiday, the same shall be held upon the next succeeding business day at the same hour and place.

INDEMNIFICATION OF OFFICERS, DIRECTORS EMPLOYEES AND AGENTS: INSURANCE

20. (a) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but

in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a Director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under subsections (a) and (b) (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) and (b). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

(e) Expenses incurred by an officer or Director in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article 20. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

(f) (i) The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of Stockholders or disinterested Directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office; and (ii) the indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) The Company may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this section.

(h) The provisions of this Article 20 shall be separable and the invalidity of all or any part thereof as applied to any particular type of liability or any particular person shall not preclude application of any remaining portion thereof to such situation or such person, nor application of the provisions of this Article to any other situation or person.

COMPENSATION TO DIRECTORS

21. By resolution of the Board of Directors, any Director may be paid any one or more of the following: his expenses, if any, of attendance at meetings, a fixed sum for attendance at meetings; or a stated salary as Director. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any capacity as an officer, employee, agent or otherwise, and receiving compensation therefor.

CONFLICTS OF INTEREST

22. No Director may pursue for his own account a business or investment opportunity if he has obtained knowledge of such opportunity through his affiliation with the Corporation, provided that the Corporation is interested in pursuing such opportunity and provided that the Corporation is financially or otherwise able to pursue such opportunity. No officer or employee of the Corporation may pursue for his own account an oil and gas opportunity unless (a) with respect to a non-officer of the Corporation, such employee's pursuit of such opportunity has been approved by a senior officer of the Corporation with full knowledge of such opportunity and (b) with respect to an officer of the Corporation, such officer's pursuit of such opportunity has been approved by the Board of Directors. The foregoing restrictions shall not apply to the acquisition of less than one percent of the publicly traded securities of another company, provided that the Corporation is not at such time engaged in any present or pending transaction with such other company.

FORM OF
CHANGE OF CONTROL EXECUTIVE SEVERANCE AGREEMENT

This Change of Control Executive Severance Agreement is entered into this 2nd day of July, 2001 by and between St. Mary Land & Exploration Company, a Delaware corporation (the "Company"), and [the Executive listed on Attachment A] (the "Executive").

RECITALS

A. The Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company to ensure that the Company will have the continued dedication of the Executive notwithstanding the possibility of a Change of Control (as defined in Section 1) of the Company and to provide the Executive with customary compensation and benefits arrangements upon a Change of Control which ensure that the compensation and benefits expectations of the Executive will be satisfied and which are competitive with those of other companies, and therefore the Board has previously adopted a Change of Control Executive Severance Policy applicable to the Executive.

B. This Agreement reflects the terms and conditions of the Change of Control Executive Severance Policy.

C. The Company desires to continue the employment of the Executive and the Executive desires to continue his employment with the Company, all upon and subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the Executive's continued employment with the Company and the mutual agreements set forth herein, the parties agree as follows:

AGREEMENT

Section 1. Certain Definitions. The following terms shall for purposes of this Agreement have the following respective definitions:

(a) "Accrued Compensation" shall mean all compensation amounts earned or accrued by the Executive through the Termination Date (as defined below) but not paid to the Executive as of the Termination Date, including (i) Base Salary (as defined below), (ii) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon), (iii) vacation and sick leave pay (to the extent provided by Company policy, plan, program or practice or applicable law), (iv) bonuses and incentive compensation, and (v) reimbursement for reasonable and necessary business expenses incurred by the Executive on behalf of the Company during the period ending on the Termination Date.

(b) "Base Salary" shall mean the greater of (i) the Executive's annual base salary at the rate in effect on the Termination Date or (ii) the Executive's annual base salary at the rate in effect immediately prior to a Change of Control, and shall include all amounts of his base salary that are deferred under the qualified and nonqualified employee benefits plans, policies, programs or practices of the Company or any other compensation agreement or arrangement.

(c) "Cause" shall mean for purposes of termination of employment (i) the conviction of the Executive of a felony involving moral turpitude or (ii) a resolution adopted in good faith by two-thirds of the members of the Board that the Executive (A) intentionally and continually failed to substantially perform his reasonably assigned duties with the Company (other than a failure resulting from the Executive's incapacity due to physical or mental illness or from the assignment to the Executive of duties that would constitute Good Reason (as defined below)), which failure continued for a period of at least 30 days after a written notice of demand for substantial performance has been delivered by the Company to the Executive, which notice specifies the manner in which the Executive failed to substantially perform, or (B) intentionally engaged in conduct which is demonstrably and materially injurious to the Company; provided, however, that no termination of the Executive's employment shall be for Cause until written notice has been delivered to the Executive which sets forth the conduct under this Section 1(c) of which the Executive is allegedly guilty and specifying the particulars thereof in detail. Neither an act nor a failure to act on the Executive's part shall be considered "intentional" unless the Executive has acted or failed to act with a lack of good faith and with a lack of reasonable belief that the Executive's action or failure to act was in the best interests of the Company. Notwithstanding anything to the contrary contained in this Agreement, no failure to perform by the Executive after a Notice of Termination (as defined below) is given by the Executive to the Company shall constitute Cause for purposes of this Agreement.

(d) "Change of Control" shall mean any of the following events:

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of either (A) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock"), or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that the following acquisitions shall not constitute a Change of Control: (1) any acquisition by the Company, (2) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (3) any acquisition pursuant to a reorganization, merger, consolidation or similar transaction, if, following such transaction, the conditions described in clauses (A), (B) and (C) of subsection (d)(iii) of this Section 1 are satisfied; or

(ii) Individuals who, as of the date this Agreement is executed, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding for this purpose any such individual whose initial assumption of office occurs as a result of either an actual or threatened proxy or election contest or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) A reorganization, merger, consolidation or similar transaction with respect to the Company, unless following such transaction all of the following conditions described in clauses (A), (B) and (C) below are met:

(A) 50% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such transaction and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such transaction, in substantially the same proportions as their ownership immediately prior to such transaction of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be,

(B) no Person (excluding the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such transaction and any Person beneficially owning, immediately prior to such transaction, directly or indirectly, 20% or more of the Outstanding Company Common Stock or Outstanding Voting Securities, as the case may be) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such transaction or the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors, and

(C) at least a majority of the members of the board of directors of the corporation resulting from such transaction were members of the Incumbent Board at the time of the execution of the initial agreement providing for such transaction; or

(iv) The acquisition of more than 50% of the assets of the Company (on a consolidated basis), other than by a corporation with respect to which following such transaction meets the conditions described in clauses (A), (B) and (C) of subsection (d)(iii) of this Section 1.

(e) "Change of Control Date" shall mean the first date during the term of this agreement (as specified in Section 2) on which a Change of Control occurs. Notwithstanding anything to the contrary contained in this Agreement, if a Change of Control occurs and if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to

effect the Change of Control or (ii) otherwise arose in connection with or anticipation of the Change of Control, then for all purposes of this Agreement the "Change of Control Date" shall mean the date immediately prior to the date of such termination of employment.

(f) "Change of Control Period" shall mean the period commencing on the Change of Control Date and ending on the date two and one-half years after the Change of Control Date.

(g) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(h) "Disability" shall mean a physical or mental infirmity which impairs the Executive's ability to substantially perform his employment duties with the Company on a full-time basis for a period of 120 consecutive business days, and the Executive has not returned to full-time performance of his employment duties within 30 days after notice by the Company of its intention to terminate employment of the Executive as a result thereof.

(i) "Good Reason" shall mean the occurrence after a Change of Control of any of the following events or conditions:

(i) a change in the Executive's status, authority, position, offices, titles, duties or responsibilities (including reporting responsibilities) with the Company which in the Executive's reasonable judgment represents a diminution or adverse change in, or are inconsistent with, such status, authority, position, offices, titles, duties or responsibilities in effect at any time within the 90 days preceding the Change of Control Date or at any time thereafter, excluding for this purpose (A) an isolated, unsubstantial and inadvertent action by the Company not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive and (B) any removal or failure to reappoint or reelect the Executive to any such position or offices in connection with the termination of his employment for death, Disability or Cause;

(ii) any reduction in the Executive's salary or any failure to pay the Executive any compensation or benefits to which he is entitled within ten business days after notice thereof;

(iii) the failure by the Company to provide the Executive with compensation and benefits, in the aggregate, at least equal (in terms of benefit levels and/or incentive or reward opportunities) to those provided for under each compensation and employee benefit policy, plan, program and practice in which the Executive was participating at any time within 90 days preceding the Change of Control Date or at any time thereafter;

(iv) the Company's requiring the Executive to be based at any place outside a 25-mile radius from his current location of employment, except for reasonably required travel for the Company's business which is not materially greater than such travel requirements prior to the Change of Control;

(v) any material breach by the Company of any provision of this Agreement;

(vi) any purported termination by the Company of the Executive's employment other than as expressly permitted by this Agreement;

(vii) the insolvency of the Company or the filing (by any party, including the Company) of a petition for bankruptcy of the Company, which petition is not dismissed within 60 days; or

(viii) the failure by the Company to obtain an agreement reasonably satisfactory to the Executive from any successor to the Company to assume and agree to perform this Agreement as contemplated by Section 7(b).

Any event or condition described in clauses (i) through (viii) above which occurs prior to a Change of Control but which the Executive reasonably demonstrates (A) resulted from the request of a third party who has taken steps reasonably calculated to effect a Change of Control which actually occurs or (B) otherwise arose in connection with or anticipation of a Change of Control which actually occurs, shall constitute Good Reason for purposes of this Agreement notwithstanding the fact that it occurred prior to the Change of Control. The Executive's right to terminate his employment for Good Reason shall not be affected by his incapacity due to a Disability.

(j) "Notice of Termination" shall mean a written notice of termination of the Executive's employment which (i) indicates the specific termination provision in this Agreement relied upon for such termination, (ii) to the extent applicable sets forth in reasonable detail the facts and circumstances claimed to provide a basis for such termination under the provision so indicated and (iii) if the Termination Date is other than the date of receipt of such notice,

specifies the Termination Date under such notice.

(k) "Termination Date" shall mean (i) if the Executive's employment is terminated by the Executive for Good Reason, the date of receipt of the Notice of Termination or any later date of employment termination as specified therein, (ii) if the Executive's employment is terminated by reason of death, the Termination Date shall be the date of death and (iii) in all other cases, the date of employment termination specified in the Notice of Termination; provided, however, that if the Executive's employment is terminated by the Company for Cause or due to a Disability, the date specified in the Notice of Termination shall be at least 30 days from the date the Notice of Termination is given to the Executive, provided that in the case of Disability the Executive shall not have returned to the full-time performance of his duties during such 30-day period.

Section 2. Term of Agreement. This Agreement shall commence as of the date

hereof and shall continue in effect until December 31, 2001; provided, however, that on December 31, 2001 and on each annual anniversary of such date (such date and each annual anniversary thereof shall be hereinafter referred to as the "Renewal Date"), the term of the Agreement shall be automatically extended so as to terminate one year from such Renewal Date, unless at least 60 days prior to the Renewal Date the Company has given written notice to the Executive that the term of the Agreement shall not be so extended, and provided further that notwithstanding any such notice by the Company not to extend, the term of the Agreement shall not expire after the occurrence of a Change of Control until the expiration of the Change of Control Period, as long as the term of the Agreement had not expired prior to the occurrence of the Change of Control.

Section 3. Payments and Benefits Upon Termination of Employment During Change of

Control Period. If during the term of this Agreement the Executive shall cease

to be employed by the Company within a Change of Control Period, the Executive shall be entitled to the following compensation payments and benefits:

(a) Termination Other than for Cause or Disability or Termination for

Good Reason. If the Executive's employment with the Company shall be terminated

before the Executive's death and Normal Retirement Age (as that term is defined as of the date hereof in the Company's 401(k) Plan) either (i) by the Company other than for Cause or Disability or (ii) by the Executive for Good Reason, the Executive shall be entitled to the following:

(i) the Company shall pay the Executive all Accrued Compensation;

(ii) as severance pay, the Company shall continue to make payments to the Executive at the Base Salary rate for the remainder of the Change of Control Period after the Termination Date, in such Base Salary installment amounts and pursuant to such Base Salary installment payment schedule as was in effect immediately prior to the Change of Control; provided, however, that in no event shall such continued payments be made for less than one full year after the Termination Date; and

(iii) for one full year after the Termination Date (the "Continuation Period"), the Company shall at its expense continue on behalf of the Executive and his dependents and beneficiaries all insurance and other fringe benefits provided to the Executive at any time during the 30-day period prior to the Change of Control. The insurance coverages and other fringe benefits (including deductibles and costs) provided in this Section 3(a)(iii) during the Continuation Period shall be no less favorable to the Executive and his dependents and beneficiaries than the most favorable of such insurance coverages and benefits during the 30-day period prior to the Change of Control. The Company's obligation hereunder with respect to the foregoing benefits shall be limited to the extent that the Executive obtains any such benefits pursuant to a subsequent employer's benefit plans, in which case the Company may reduce the coverage of any benefits it is required to provide the Executive hereunder as long as the aggregate coverages and benefits of the combined benefit plans is no less favorable to the Executive than the coverages and benefits required to be provided hereunder. This Section 3(a)(iii) shall not be interpreted so as to limit any benefits to which the Executive, his dependents or beneficiaries may be entitled following the Executive's termination of employment under any of the Company's employee benefit policies, plans, programs or practices, including without limitation retiree medical and life insurance benefits.

Notwithstanding any other provision in this Agreement to the contrary, in the event that subsequent to a termination of the Executive's employment under this Section 3(a) and within the Change of Control Period or Continuation Period the Executive suffers a physical or mental infirmity which otherwise may have at

such subsequent time qualified as grounds for termination of the Executive's employment due to a Disability had the Executive been employed by the Company at such subsequent time, the severance payments under Section 3(a)(ii) and the insurance coverages and other fringe benefits under Section 3(a)(iii) shall nevertheless continue as set forth in Section 3(a)(ii) and Section 3(a)(iii).

(b) Termination for Cause, Disability or Death or Other than for Good

Reason. If the Executive's employment with the Company shall be terminated
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either (i) by the Company for Cause or Disability, (ii) by reason of the Executive's death, (iii) after the Executive has reached his Normal Retirement Age or (iv) by the Executive other than for Good Reason, the Company shall pay to the Executive all Accrued Compensation.

(c) Other Compensation and Benefits. The Executive's entitlement to

any other compensation or benefits from or any indemnification by the Company shall be determined in accordance with the Company's employee benefit and other applicable compensation plans, programs, policies and practices, and any applicable indemnification provisions or agreements then in effect. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Termination Date shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement. If the Executive is entitled to severance pay and benefits pursuant to Section 3(a)(ii) and (iii), such severance pay and benefits shall be reduced to the extent of any other severance or termination pay explicitly designated as such to which the Executive may be entitled under any agreement with the Company or any of its affiliated companies.

Section 4. Notice of Termination. Following a Change of Control, any purported

termination of the Executive's employment by the Company, for Cause or otherwise, or by the Executive for Good Reason, shall be communicated by a Notice of Termination to the other party hereto given in accordance with Section 8(d). For purposes of this Agreement, no such purported termination shall be effective without such Notice of Termination. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company hereunder or preclude the Executive or the Company from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder. If the Company determines in good faith that a Disability of the Executive has occurred while the Executive is employed by the Company during the Change of Control Period, it may give to the Executive written notice in accordance with Section 8(d) of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive, provided that within the 30 days after such receipt the Executive shall not have returned to full-time performance of the Executive's duties.

Section 5. No Set-Off or Mitigation; Resolution of Disputes.

(a) No Set-Off. The Company's obligation to make the payments provided

for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others.

(b) No Mitigation Required. In no event shall the Executive be

obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and, except as provided in Section 3(a)(iii), such amounts shall not be reduced whether or not the Executive obtains other employment.

(c) Payments Pending Resolution of Disputes. If there shall be any

dispute between the Company and the Executive under this Agreement (i) in the event of any termination of the Executive's employment by the Company, whether such termination was validly for Cause, or (ii) in the event of any termination of employment by the Executive, whether Good Reason existed, then, unless and until there is a final, nonappealable judgment by a court of competent jurisdiction declaring that such termination was for Cause or that the determination by the Executive of the existence of Good Reason was not made in good faith, the Company shall pay all amounts and provide all benefits to the

Executive and/or the Executive's dependents or other beneficiaries, as the case may be, that the Company would be required to pay or provide pursuant to Section 3(a) as though such termination were by the Company other than for Cause, or by the Executive for Good Reason; provided, however, that the Company shall not be required to pay any disputed amount pursuant to this Section 5(c) except upon receipt of an undertaking by or on behalf of the Executive to repay all such amounts to which the Executive is ultimately adjudged by such court not to be entitled.

(d) Attorney Fees and Expenses. The Company shall pay as they become

due all attorney fees and related expenses (including the costs of experts, evidence and counsel) reasonably incurred by the Executive as a result of the Executive seeking to obtain or enforce any right or benefit provided by this Agreement.

Section 6. Excise Tax Limitation.

(a) Notwithstanding anything to the contrary contained in this Agreement, if the payments and benefits provided under this Agreement and benefits provided to, or for the benefit of, the Executive under any other Company plan or agreement (such payments or benefits are collectively referred to as the "Payments") would be subject to the excise tax (the "Excise Tax") imposed under Section 4999 of the Code, the Payments shall be reduced to the Limited Payment Amount of the greater of (i) the largest amount of Payments that would result in no portion of the Payments being subject to the Excise Tax, or (ii) the largest amount of Payments, up to and including the total Payments, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), that results in the Executive's receipt, on an after-tax basis, of the greater amount of Payments notwithstanding that all or some portion of the Payments may be subject to the Excise Tax. The intent of the foregoing provision is to reduce the Payments only in the event and to the extent that doing so will maximize the net present value of the Payments, on an after-tax basis, to be received by the Executive. Unless the Executive shall have given prior written notice specifying a different order to the Company to effectuate any reduction in Payments, the Company shall reduce or eliminate the Payments by first reducing or eliminating the portion of the Payments which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the Determination (as defined below). Any notice given by the Executive pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing the Executive's rights and entitlements to any benefits or compensation.

(b) The determination of whether the Payments shall be reduced to the Limited Payment Amount pursuant to this Agreement and the amount of such Limited Payment Amount shall be made, at the Company's expense, by an accounting firm selected by the Executive which is one of the five largest accounting firms in the United States (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation, to the Company and the Executive within ten business days of the Termination Date, if applicable, or such other time as requested by the Company or by the Executive (provided that the Executive reasonably believes that any of the Payments may be subject to the Excise Tax), and if the Accounting Firm determines that no Excise Tax is payable by the Executive with respect to the Payments it shall furnish the Executive with an opinion reasonably acceptable to the Executive that no Excise Tax will be imposed with respect to any such Payments. The Determination shall be binding, final and conclusive upon the Company and the Executive.

Section 7. Successors and Assigns.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to the business and/or 50% or more of the assets of the Company (on a consolidated basis) to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, the term "Company" shall mean the Company as previously defined and any successor to its business and/or assets which assumes and agrees to perform this Agreement by operation of law or otherwise.

Section 8. Miscellaneous.

(a) Governing Law and Venue. This Agreement shall be governed by and

construed in accordance with the laws of the State of Colorado, without
reference to principles of conflict of laws. Any action brought by any party to
this Agreement shall be brought and maintained in a court of competent
jurisdiction located in Denver, Colorado.

(b) Captions. The captions of this Agreement are for convenience of

reference only, are not part of the provisions hereof and shall have no force or
effect in the interpretation of this Agreement.

(c) Amendment. This Agreement may not be amended or modified otherwise

than by a written agreement executed by the parties hereto or their respective
successors and legal representatives.

(d) Notice. All notices and other communications hereunder shall be in

writing and shall be given by hand delivery to the other party, by confirmed
telefax, or by registered or certified mail, return receipt requested, postage
prepaid, addressed as follows:

If to the Executive: -----

Telefax: -----

If to the Company: St. Mary Land & Exploration Company
1776 Lincoln Street, Suite 1100
Denver, CO 80203
Attn: President
Telefax: (303) 861-0934

or to such other address as either party shall have furnished to the other in
writing in accordance herewith. Notice and communications shall be effective
when actually received by the addressee.

(e) Severability. The invalidity or unenforceability of any provision

of this Agreement shall not affect the validity or enforceability of any other
provision of this Agreement, and any provision that is determined to be invalid
or unenforceable shall be enforced to the maximum extent permissible under law.

(f) Entire Agreement. This Agreement constitutes the entire agreement

between the parties concerning the subject matter hereof.

(g) Tax Withholding. The Company may withhold from any amounts payable

under this Agreement such federal, state or local taxes as shall be required to
be withheld pursuant to any applicable law or regulation.

(h) Waiver. The Executive's or the Company's failure to insist upon
strict compliance with any provision hereof or the failure to assert any right
the Executive or the Company may have hereunder, including, without limitation,
the right of the Executive to terminate employment for Good Reason, shall not be
deemed to be a waiver of such provision or right or any other provision or right
of this Agreement.

(i) No Guaranteed Employment. The Executive and the Company

acknowledge that, except as may otherwise be provided under any other written
agreement between the Executive and the Company concerning the Executive's
employment with the Company, the provisions of such other agreement not
inconsistent herewith which shall remain in full force and effect, the
employment of the Executive by the Company is "at will" and, prior to the Change
of Control Date, may be terminated by either the Executive or the Company at any
time.

(j) Execution in Counterparts and by Facsimile. This Agreement may be

executed in counterparts and signature pages may be delivered by facsimile
transmission.

IN WITNESS WHEREOF, this Change of Control Executive Severance Agreement is hereby duly executed by each party hereto as of the day and year first above written.

COMPANY:

ST. MARY LAND & EXPLORATION COMPANY,
a Delaware corporation

By: -----
Printed name: -----
Title: -----

EXECUTIVE:

- -----
Printed name: -----

Attachment A
to
Form of
Change of Control Executive Severance Agreement

Executives with Change of Control Executive Severance Agreements:

Mark A. Hellerstein
Ronald D. Boone
Richard C. Norris
Milam Randolph Pharo
Douglas W. York
W. David Hart
George M. Hearne IV
Julian C. Pope
Michael H. Rosenzweig
Garry A. Wilkening
Kevin E. Willson
Robert L. Nance
Robert T. Hanley
Charles M. Jones