

1776 LINCOLN STREET, SUITE 700

DENVER, COLORADO 80203

303/861-8140

FAX 303/861-0934

April 4, 2003

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

RE: St. Mary Land & Exploration Company
File No. 001-31539

Ladies and Gentlemen:

Transmitted herewith is St. Mary Land & Exploration Company's Proxy Statement submitted on Schedule 14A. The Company intends to send the Proxy Statement to its Shareholders' on or about April 7, 2003.

Very truly yours,

/s/ RICHARD C. NORRIS

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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities and Exchange Act of 1934

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e) (2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

ST. MARY LAND & EXPLORATION COMPANY

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i) (4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

[] Fee paid previously with preliminary materials.

[] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement Number:

3) Filing party:

4) Date filed:

1776 LINCOLN STREET, SUITE 700

DENVER, COLORADO 80203-1080

303/861-8140

FAX 303/861-0934

April 4, 2003

Dear Stockholder:

You are cordially invited to attend the 2003 annual meeting of stockholders, which will be held in the Forum Room of Wells Fargo Bank, 1740 Broadway Street, Denver, Colorado on Wednesday, May 21, 2003 at 3:00 p.m. local time.

At the meeting you and the other stockholders will vote on the election of eight directors, approval of an amendment to the Stock Option Plans to increase the authorized number of shares that can be issued under the plans by 1,300,000 to a total of 5,600,000 and approval of a Non-Employee Director Stock Compensation Plan for the issuance of up to 30,000 shares to non-employee directors as compensation over an anticipated period of up to five years. You will also have the opportunity to hear reports on St. Mary's operations and to ask questions of general interest. You can find other detailed information about the meeting in the accompanying proxy statement, and can find detailed information about St. Mary in the enclosed annual report.

Please complete and sign the enclosed proxy card and return it promptly in the accompanying envelope, or use the telephone or Internet voting systems described on the proxy card. This will ensure that your shares are represented at the meeting even if you cannot attend.

Thank you for your cooperation in returning your proxy card or voting by telephone or the Internet as promptly as possible. We hope to see many of you at our meeting in Denver.

Very truly yours,

/s/ MARK A. HELLERSTEIN

Mark A. Hellerstein
Chairman

St. Mary Land & Exploration Company
1776 Lincoln Street, Suite 700
Denver, Colorado 80203

Notice of Annual Meeting of Stockholders

May 21, 2003

To All Stockholders:

The 2003 annual meeting of the stockholders of St. Mary Land & Exploration Company will be held in the Forum Room of the Wells Fargo Bank, 1740 Broadway Street, Denver, Colorado on Wednesday, May 21, 2003 at 3:00 p.m. local time. The purposes of the meeting are:

1. To elect eight directors to serve during the next year,
2. To vote on an amendment to the Stock Option Plans to increase the number of authorized shares that can be issued under the plans by 1,300,000 to a total of 5,600,000,
3. To vote on approval of a Non-Employee Director Stock Compensation Plan for the issuance of up to 30,000 shares to non-employee directors as compensation over an anticipated period of up to five years, and
4. To transact any other business which may properly come before the meeting.

Only stockholders of record at the close of business on March 31, 2003 may vote at this meeting.

Please sign, date and return the accompanying proxy card in the enclosed envelope as soon as possible, or use the telephone or Internet voting systems described on the proxy card. Any stockholder may revoke their proxy at any time before the vote is taken at the meeting.

By Order of the Board of Directors
St. Mary Land & Exploration Company

/s/ RICHARD C. NORRIS

Richard C. Norris
Secretary

Denver, Colorado
April 4, 2003

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St. Mary Land & Exploration Company
1776 Lincoln Street, Suite 700
Denver, Colorado 80203
(303) 861-8140

General

This proxy statement contains information about the 2003 annual meeting of stockholders of St. Mary Land & Exploration Company to be held in the Forum Room of the Wells Fargo Bank, 1740 Broadway Street, Denver, Colorado on Wednesday, May 21, 2003 at 3:00 p.m. local time. The St. Mary board of directors is using this proxy statement to solicit proxies for use at the annual meeting. In this proxy statement "St. Mary" and "the Company" both refer to St. Mary Land & Exploration Company. This proxy statement and the enclosed proxy card are being mailed to you on or about April 7, 2003.

Purpose of the Annual Meeting

At the Company's annual meeting, stockholders will vote on:

- o the election of directors as outlined in the accompanying notice of meeting,
- o approval of an amendment to the stock option plans to increase the total authorized number of shares of common stock which may be issued under the plans by 1,300,000 shares to a total of 5,600,000 shares,
- o approval of a Non-Employee Director Stock Compensation Plan for the issuance of up to a total of 30,000 shares of common stock to non-employee directors as part of their annual or other compensation over an anticipated period of up to five years, and
- o any other business that properly comes before the meeting.

As of the date of this proxy statement, the Company is not aware of any business to come before the meeting other than the items noted above.

Who Can Vote

Only stockholders of record at the close of business on the record date of March 31, 2003 are entitled to receive notice of the annual meeting and to vote the shares of St. Mary common stock they held on that date. As of March 31, 2003, there were 31,438,657 shares of St. Mary common stock issued and outstanding. Holders of St. Mary common stock are entitled to one vote per share and are not allowed to cumulate votes in the election of directors. The enclosed proxy card shows the number of shares that you are entitled to vote.

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How to Vote

If your shares of St. Mary common stock are held by a broker, bank or other nominee (in "street name"), you will receive information from them on how to instruct them to vote your shares.

If you hold shares of St. Mary common stock in your own name (as a "stockholder of record"), you may give instructions on how your shares are to be voted by marking, signing, dating and returning the enclosed proxy card in the accompanying postage-paid envelope, or following the telephone or Internet voting procedures described on the proxy card. The telephone and Internet voting procedures are designed to ensure that proxies are handled properly under Delaware law by authenticating votes cast by use of a personal identification number and allowing stockholders to confirm that their instructions have been properly recorded. If you vote by telephone or the Internet, you do not have to mail in your proxy card.

A proxy, when properly completed and not revoked, will be voted in accordance with its instructions. If no instructions are given on a properly executed and unrevoked proxy card, the proxy will be voted FOR management's slate of directors, the amendment to the Stock Option Plans and the Non-Employee Director Stock Compensation Plan.

Revoking a Proxy

You may revoke a proxy before the vote is taken at the meeting by:

- o submitting a new proxy with a later date either signed and returned by mail or transmitted using the telephone or Internet voting procedures before the meeting,
- o by voting in person at the meeting, or
- o by filing a written revocation with St. Mary's corporate secretary.

Your attendance at the annual meeting will not automatically revoke your proxy.

Quorum and Voting Requirements

A quorum of stockholders is necessary to hold a valid meeting. A quorum will exist if stockholders of one-third of the outstanding shares of common stock are present at the meeting in person or by proxy. Abstentions and broker "non-votes" count as present for establishing a quorum. A broker non-vote occurs on a matter when a broker is not permitted to vote on that matter without instruction from the beneficial owner of the shares and no instruction is given. Shares held by St. Mary in its treasury are not entitled to vote and do not count toward a quorum. If a quorum is not present, the meeting may be adjourned

until a quorum is obtained.

If a quorum is present, the affirmative vote of a majority of shares represented in person or by proxy will be required to elect the directors, amend the stock option plans, approve the Non-Employee Director Stock Compensation Plan and to decide any other matter which may properly be submitted to a vote at the meeting. In addition proposals two and three require that the total votes cast represent 50% of all shares entitled to vote. Accordingly, any shares

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present but not voted, including abstentions and broker non-votes, will have the same effect as shares voted against approval.

Payment of Proxy Solicitation Costs

St. Mary will pay all costs of soliciting proxies. The solicitation will be made by mail. In addition to mailing proxy solicitation material, St. Mary officers, directors and employees may also solicit proxies in person, by telephone, or by other electronic means of communication. St. Mary will ask banks, brokers, other institutions, nominees, and fiduciaries to forward the proxy material to their principals and to obtain authority to execute proxies. St. Mary will reimburse them for expenses.

ELECTION OF DIRECTORS

All directors of the Company are elected annually. At this meeting, eight directors are to be elected to serve for one year or until their successors are elected and qualified. The Company's nominees for these directorships are identified below, all of whom are currently serving in that capacity. Robert L. Nance, age 66 and an executive officer of St. Mary, is also a current director who has decided not to stand for re-election to the board of directors.

The board of directors has a Nominating and Corporate Governance committee that selects the director nominees. This Committee performed its nominating committee functions at its meeting on March 27, 2003. They will consider suggestions by stockholders of possible future nominees. Such suggestions should be delivered on or before November 1 in any year before the next annual meeting. In addition, St. Mary's by-laws permit stockholders to nominate directors for election at an annual meeting, provided that advance written notice of the nomination containing the information required under the by-laws is received by the Secretary of St. Mary not less than 75 days nor more than 105 days before the first anniversary date of the immediately preceding annual meeting. Accordingly, proper notice of a stockholder nomination for election as director at the 2004 annual meeting must be received by St. Mary between February 6, 2004 and March 8, 2004.

The proxies will be voted in favor of the nominees unless a contrary specification is made in the proxy. All nominees have consented to serve as directors of the Company if elected. However, if any nominee is unable to serve or for good cause will not serve as a director, the persons named in the proxy intend to vote in their discretion for a substitute who will be designated by the board of directors.

The board of directors recommends voting "For" electing the nominees.

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NOMINEES FOR ELECTION AS DIRECTORS

Biographical information, including principal occupation and business experience during the last five years, of each nominee for director is set forth below. Unless otherwise stated the principal occupation of each nominee has been the same for the past five years.

	Age	Director Since
----- Barbara M. Baumann is Executive Vice President of Associated Energy Managers LLC, an investment manager and general partner of a private equity energy fund specializing in oil and gas investments for institutional investors. She has held that position since 2001. From 1983 to 2001, Ms. Baumann was employed by BP Amoco and held a variety of financial and operational management positions, including Chief Financial Officer of an environmental remediation subsidiary and most recently as the Commercial Operations Manager of the Western Business Unit. -----	47	2002
Larry W. Bickle is Managing Director of Haddington Ventures, L.L.C., a private equity fund that invests in midstream energy companies and assets. He has held that position since June 1997. From 1984 to 1997, Mr. Bickle was Chairman of the Board and Chief Executive Officer of TPC Corporation (formerly Tejas Power Corporation), a gas storage, transportation and marketing company that he founded. Mr. Bickle is also a director of UniSource Energy Corporation, the parent company for Tucson Electric Power Company. -----	57	1995
Ronald D. Boone is Executive Vice President and Chief Operating Officer of St. Mary. He has served St. Mary as	55	1996

Executive Vice President since 1990 and as Chief Operating Officer since 1992.

Thomas E. Congdon retired as Chairman of the Board of St. Mary in September 2002. He served St. Mary as an officer for more than 36 years, including service as President from 1966 to 1992, Chief Executive Officer from 1992 to 1995 and Chairman of the Board from 1992 to September 2002. Mr. Congdon is also a director, officer or general partner of a number of family corporations and partnerships which produce iron ore and agricultural products, manage marketable securities and own and operate developed real estate.	76	1966
William J. Gardiner is Vice President and Chief Financial Officer of King Ranch, Inc., a privately-held ranching and agricultural company that owns the historic 825,000 acre "King Ranch" in South Texas. He has held that position since 1996. Before joining King Ranch in 1996, Mr. Gardiner served as Executive Vice President and Chief Financial Officer of CRSS, Inc., an independent power producer. He was employed by CRSS for approximately 20 years. Mr. Gardiner was initially appointed as a director of St. Mary in connection with St. Mary's acquisition of King Ranch Energy, Inc. in 1999.	49	1999
Mark A. Hellerstein is Chairman of the Board, President and Chief Executive Officer of St. Mary. He has served St. Mary as President since 1992, Chief Executive Officer since 1995, and was appointed Chairman of the Board in September 2002. From 1995 to 1998, Mr. Hellerstein also served as Chairman of the Board of Summo Minerals Corporation (now known as Constellation Copper Corporation), a copper mining company in which St. Mary held an interest.	50	1992

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Arend J. Sandbulte is a former Chairman of the Board, President and Chief Executive Officer, and Chief Financial Officer of ALLETE, Inc. (formerly Minnesota Power, Inc.), a diversified services company with core operations in energy services (including electric utility services) and automotive services. Mr. Sandbulte was employed with ALLETE from 1964 to 1996, and served as a director of ALLETE from 1983 to 2002.	69	1989
John M. Seidl is Chief Program Officer, Environment, of the Gordon and Betty Moore Foundation, a private grant-making foundation which seeks and funds education, scientific research, environmental and San Francisco Bay Area projects. He has held that position since June 2001. Mr. Seidl is also Chairman of Language Line Services, a privately-held provider of over-the-phone language interpretation and document translation services. He has held that position since September 1999. From 1994 to 1999, Mr. Seidl was Chairman of the Board, President and Chief Executive Officer of CellNet Data Systems, Inc., a provider of wireless data networks for automated reading of utility meters. In 2000 CellNet Data Systems filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code as part of an acquisition of its assets. From 1999 to 2002, Mr. Seidl was also a director of Iomega Corporation.	64	1994

BOARD AND COMMITTEE MEETINGS

The full board of directors met six times during 2002. No director attended less than 75% of the board and committee meetings held during the director's tenure on the board and its committees.

The board has an audit committee, nominating and corporate governance committee, compensation committee and an executive committee. The following table sets forth the members of each committee and the number of meetings held in 2002:

Name	Audit	Nominating and Corp Governance	Compensation	Executive
Barbara M. Baumann	X	X	X	
Larry W. Bickle	X	X	X	
Ronald D. Boone				
Thomas E. Congdon				X
William J. Gardiner	X	X	X*	X
Mark A. Hellerstein				X
Arend J. Sandbulte	X*	X	X	X

John M. Seidl	X	X*		
No. of Meetings in 2002	12	1	5	4

* Chairperson

The audit committee assists the board in fulfilling its oversight responsibilities for financial reporting by the Company. The audit committee is solely responsible for the engagement and discharge of independent auditors and reviews the quarterly financial results. The committee reviews with independent

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auditors the audit plan and the results of the audit, reviews the independence of the auditors, considers the range of audit fees, reviews the scope and adequacy of St. Mary's system of internal accounting controls, and reviews the Company's risk management policies. The audit committee is composed of five directors, each of whom is independent as defined by the NYSE listing standards. See the "Audit Committee Report" contained in this proxy statement.

The nominating and corporate governance committee was established in November 2002 and its primary function is to nominate the directors to be elected and to oversee all corporate governance policies of the board of directors. The committee is made up of all independent directors and meets before each regular board meeting.

The compensation committee's primary function is to oversee the administration of the Company's employee benefit plans and to establish the Company's compensation policies. The compensation committee recommends to the board the compensation arrangements for senior management and directors, adoption of compensation plans in which officers and directors are eligible to participate, and the granting of stock options or other benefits under compensation plans. Each compensation committee member is an independent director. See the "Report of Compensation Committee on Executive Compensation" contained in this proxy statement.

The executive committee has the authority to act on behalf of the board of directors and the Company with respect to matters as to which it has been authorized to act by the board of directors, provided that such matters are not in conflict with the certificate of incorporation or by-laws of the Company or applicable laws, regulations or rules and listing standards of the New York Stock Exchange.

There are no arrangements or understandings between any director and any other person pursuant to which that director was or is to be elected.

DIRECTOR COMPENSATION

Employee directors do not receive additional compensation for serving on the board of directors or any committee. Each non-employee director receives 1,200 shares of St. Mary common stock per year for serving as a director and is paid \$750 for each meeting attended. Non-employee directors serving on a committee are paid \$600 for each committee meeting attended and \$375 for telephonic meetings. Directors are reimbursed for expenses incurred in attending board and committee meetings.

Members of the board of directors also participate in the Company's Stock Option Plan. Non-employee directors currently receive a total number of options each year equal to the average number of options granted to the two most senior employees of the Company, exclusive of any extraordinary grants which are for purposes other than normal annual compensation, divided by six. These options have an exercise price equal to the fair market value of St. Mary common stock on the date of grant and vest over a three-year period in the same manner as for employee participants, except that the options of a director who retires after five years of service shall become fully vested upon retirement. For 2002, each non-employee director was granted under this arrangement an option to purchase 6,542 shares of St. Mary common stock at an exercise price of \$25.00 per share.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows beneficial ownership of shares of St. Mary common stock as of March 19, 2003 by all beneficial owners as known by the Company, of more than 5% of the outstanding shares of St. Mary common stock and by each director and each of the executive officers named in the Summary Compensation Table, and all directors, director nominees and executive officers as a group.

Name and Address of Beneficial Owner	Shares beneficially owned excluding options	Options exercisable within 60 days	Total shares beneficially owned (1)	Percent beneficially owned
Stockholders Owning More Than 5%				

Flying J Oil & Gas Inc. and Big West Oil & Gas Inc. 333 West Center Street Salt Lake City, UT 84504	3,380,818	-	3,380,000 (2)	10.8%
Harris Associates Inc. Two North LaSalle Street, Suite 500 Chicago, IL 60602	1,595,000	-	1,595,000 (3)	5.2%
Name and Position of Beneficial Owner Directors and Executive Officers				
Barbara M. Baumann, Director	2,000	3,308	5,308	< .1%
Larry W. Bickle, Director	26,400	24,161	50,561	.2%
Thomas E. Congdon, Director	(4) 107,707	48,719	156,426	.5%
William J. Gardiner, Director	4,800	11,765	16,565	.1%
Arend J. Sandbulte, Director	(5) 22,366	24,161	46,527	.2%
John M. Seidl, Director	4,800	20,257	25,057	.1%
Mark A. Hellerstein, Chairman, President, Chief Executive Officer and Director	34,781	139,634	174,415	.6%
Ronald D. Boone, Executive Vice President, Chief Operating Officer and Director	13,721	105,357	119,078	.4%
Robert L. Nance, Senior Vice President and Director	(6) 341,607	50,071	391,678	1.3%
Milam Randolph Pharo, Vice President - Land and Legal	2,000	44,249	46,249	.2%
Douglas W. York, Vice President - Acquisitions and Engineering	4,994	40,772	45,766	.2%
All executive officers and directors as a group (15 persons including those named above)	648,023	609,623	1,255,646	4.0%

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- (1) According to SEC rules, beneficial ownership includes shares as to which the individual or entity has voting power or investment power and any shares which the individual has the right to acquire within 60 days of March 19, 2003 through the exercise of any stock option or other right.
- (2) Pursuant to a Purchase and Sale Agreement dated as of December 13, 2002 among Flying J Oil & Gas Inc., Big West Oil & Gas Inc., NPC Inc. ("NPC") and St. Mary, as amended by an Addendum thereto dated January 29, 2003, on January 29, 2003 St. Mary issued to Flying J Oil & Gas Inc. and Big West Oil & Gas Inc. a total of 3,380,818 restricted shares of St. Mary common stock in exchange for the transfer by Flying J Oil & Gas Inc. and Big West Oil & Gas Inc. to NPC, a wholly owned second tier subsidiary of St. Mary, of certain oil and gas properties and related assets. Of the 3,380,818 shares of St. Mary common stock issued by St. Mary to Flying J Oil & Gas Inc. and Big West Oil & Gas Inc., 1,690,409 shares were issued to Flying J Oil & Gas Inc. and 1,690,409 shares were issued to Big West Oil & Gas Inc. Pursuant to a Standstill Agreement dated as of January 29, 2003 among St. Mary, Flying J Oil & Gas Inc. and Big West Oil & Gas Inc., Flying J Oil & Gas Inc. and Big West Oil & Gas Inc. must vote their shares of St. Mary common stock in favor of the nominees of the St. Mary board of directors for election as directors and the St. Mary board's proposals with respect to any meeting of St. Mary stockholders during the period of 30 months after January 29, 2003. Big West Oil & Gas Inc. is a wholly owned subsidiary of Flying J Oil & Gas Inc., which is a wholly owned subsidiary of Flying J Inc. St. Mary understands that Flying J Corp. holds a controlling shareholder interest in Flying J Inc. and that Flying J Corp. is wholly owned by Osborne Jay Call (recently deceased). Accordingly, it is St. Mary's understanding that there is shared voting and dispositive power with respect to the total of 3,380,818 shares held of record by Flying J Oil & Gas Inc. and Big West Oil & Gas Inc.
- (3) According to a Statement on Schedule 13G filed by Harris Associates L.P. and Harris Associates Inc. on February 14, 2003, by reason of advisory and other relationships with persons who own shares of St. Mary common stock, Harris Associates L.P. and Harris Associates Inc. as the general partner of Harris Associates L.P. may be deemed to be the beneficial owners of a total of 1,595,000 shares, with shared voting power as to all of such shares, shared dispositive power as to 1,501,000 shares, and sole dispositive power as to 94,000 shares.
- (4) Includes 12,009 shares held of record by the spouse of Thomas E. Congdon as to which he may be deemed to be the beneficial owner. Thomas E. Congdon and members of his extended family own approximately 16 percent of the outstanding common stock of the Company. While no formal arrangements exist, these extended family members may be inclined to act in concert with Mr. Congdon on matters related to control of the Company or the approval of a significant transaction.
- (5) Includes 800 shares held of record by the spouse of Arend J. Sandbulte as

- to which he may be deemed to be the beneficial owner.
- (6) Includes 2,000 shares held of record by Ronan, Inc., a corporation controlled by Robert L. Nance, and 69,100 shares held of record by the spouse of Mr. Nance.

AUDIT COMMITTEE REPORT

The audit committee is appointed by the board of directors to assist the board in fulfilling its oversight responsibilities with respect to (1) the integrity of the Company's financial statements and financial reporting process and systems of internal controls regarding finance, accounting and compliance with legal and regulatory requirements, (2) the qualifications, independence and performance of the Company's independent accountants, (3) the performance of the Company's internal audit function and (4) other matters as set forth in the charter of the audit committee approved by the board of directors and attached to this proxy statement as Annex A.

Management is responsible for the Company's financial statements and the financial reporting process, including the systems of internal controls and disclosure controls and procedures. The independent accountants are responsible for performing an independent audit of the Company's financial statements in accordance with generally accepted auditing standards and issuing a report thereon. The audit committee's responsibility is to monitor and oversee these processes.

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In connection with these responsibilities, the audit committee reviewed and discussed the audited consolidated financial statements of the Company for the year ended December 31, 2002 with management and the independent accountants. The audit committee also discussed with the independent accountants the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees. In addition, the audit committee received the written disclosures and the letter from the independent accountants required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, and the audit committee discussed with the independent accountants that firm's independence.

Based on the reviews and discussions referred to above, the audit committee recommended to the board of directors that the audited consolidated financial statements of the Company be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2002 for filing with the SEC.

THE AUDIT COMMITTEE

Arend J. Sandbulte, Chairman
 Barbara M. Baumann
 Larry W. Bickle
 William J. Gardiner
 John M. Seidl

March 31, 2003

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EXECUTIVE COMPENSATION

In addition to salaries, the Company has granted stock options to executive management and selected other personnel. These individuals also participate with other members of management in a net profits interest bonus plan. All employees are eligible to participate in the Company's cash bonus plan. See the "Report of the Compensation Committee on Executive Compensation" beginning on page 12 of this proxy statement.

The following table sets forth the annual and long term compensation received during each of the Company's last three years by the Chief Executive Officer of the Company and by the four other highest compensated executive officers of the Company during 2002.

SUMMARY COMPENSATION TABLE

Name and principal position	Year	Annual Compensation			Long-Term Compensation Awards	All other compensation (\$)(2)
		Salary(\$)	Bonus	Other Annual Compensation (\$)(1)	Options (#)	
Mark A. Hellerstein	2002	\$ 330,000	\$52,800	\$ 724,243	294,394	\$ 22,913
President and Chief Executive Officer	2001	291,667	-	798,586	21,766	13,939
	2000	277,333	80,427	133,741	24,791	20,613
Ronald D. Boone	2002	259,167	41,467	606,780	135,016	17,475
Executive Vice President and Chief Operating Officer	2001	233,667	-	670,028	17,486	10,550
	2000	222,000	64,380	120,446	19,833	15,424

Robert L. Nance	2002	206,500	49,560	64,535	28,533	11,546
Senior Vice President	2001	201,865	-	36,199	15,052	10,850
Director/President - Nance	2000	193,333	75,400	16,158	17,012	10,850
Douglas W. York	2002	161,667	40,000	128,299	22,591	9,588
Vice President-Acquisitions and Engineering	2001	145,000	-	151,706	11,436	7,469
	2000	134,667	52,000	6,598	11,968	7,380
Milam Randolph Pharo	2002	147,333	30,000	159,792	10,193	7,690
Vice President - Land and Legal	2001	139,993	5,000	174,219	5,350	7,375
	2000	133,167	35,000	9,690	11,754	7,371

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Stock options granted to the Company's five highest compensated executive officers during 2002 are set forth in the following two tables. The Company began a quarterly grant system beginning at the end of 2001.

2002 OPTION GRANTS

Individual Grants

NAME	Number of Options Granted	Percent of total options granted to employees in 2002	Exercise price per share	Expiration date	Potential realizable value at assumed annual rates of stock price appreciation for option term	
					5%	10%
Mark A. Hellerstein	10,882 (1)	1.02%	\$21.71	3/31/12	\$148,575	\$376,519
	250,000 (2)	23.52%	\$23.16	6/01/12	3,641,300	9,227,769
	10,882 (3)	1.02%	\$24.06	6/30/12	164,658	417,275
	11,315 (4)	1.06%	\$23.90	9/30/12	170,071	430,993
	11,315 (5)	1.06%	\$25.00	12/31/12	177,899	450,830
Ronald D. Boone	8,743 (1)	.82%	\$21.71	3/31/12	119,371	302,509
	100,000 (2)	9.41%	\$23.16	6/01/12	1,456,520	3,691,108
	8,743 (3)	.82%	\$24.06	6/30/12	132,292	335,254
	8,765 (4)	.82%	\$23.90	9/30/12	131,743	333,863
	8,765 (5)	.82%	\$25.00	12/31/12	137,807	349,229
Robert L. Nance	7,525 (1)	.71%	\$21.71	3/31/12	102,741	260,366
	7,525 (3)	.71%	\$24.06	6/30/12	113,862	288,549
	6,741 (4)	.63%	\$23.90	9/30/12	101,321	256,768
	6,742 (5)	.63%	\$25.00	12/31/12	106,000	268,625
Douglas W. York	5,718 (1)	.54%	\$21.71	3/31/12	78,070	197,844
	5,718 (3)	.54%	\$24.06	6/30/12	86,520	219,259
	5,578 (4)	.52%	\$23.90	9/30/12	83,841	212,469
	5,577 (5)	.52%	\$25.00	12/31/12	87,684	222,208
Milam Randolph Pharo	2,674 (1)	.25%	\$21.71	3/31/12	36,509	92,521
	2,674 (3)	.25%	\$24.06	6/30/12	40,461	102,536
	2,422 (4)	.23%	\$23.90	9/30/12	36,404	92,255
	2,423 (5)	.23%	\$25.00	12/31/12	38,095	96,541

- (1) Stock options granted effective March 31, 2002 pursuant to the Company's Stock Option Plan as described on page 13 of this proxy statement.
- (2) Stock options granted effective June 1, 2002 as extraordinary long term incentive pursuant to the Company's Stock Option Plan as described on page 13 of this proxy statement. See the "Report of Compensation Committee on Executive Compensation contained in this proxy.
- (3) Stock options granted effective June 30, 2002 pursuant to the Company's Stock Option Plan as described on page 13 of this proxy statement.
- (4) Stock options granted effective September 30, 2002 pursuant to the Company's Stock Option Plan as described on page 13 of this proxy

- statement.
- (5) Stock options granted effective December 31, 2002 pursuant to the Company's Board of Resolution as described on page 13 of this proxy statement .

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AGGREGATED OPTION/SAR EXERCISES IN 2002 AND
DECEMBER 31, 2002 OPTION/SAR VALUE

Name	Shares acquired on exercise	Value Realized	Number of unexercised options held at December 31, 2002		Value of unexercised in-the-money options at December 31, 2002 (1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Mark A. Hellerstein			139,634	269,938	\$995,636	\$516,444
Ronald D. Boone	5,870	\$80,360	105,357	125,595	921,626	247,636
Robert L. Nance			50,071	29,418	304,746	69,947
Douglas W. York			40,772	22,795	284,830	53,520
Milam Randolph Pharo			44,249	11,924	425,485	24,888

(1) On December 31, 2002, the last reported sales price of St. Mary common stock as quoted on the New York Stock Exchange (NYSE) was \$25.00.

REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

The compensation committee of the board of directors has responsibility for reviewing, evaluating and recommending to the board of directors the director and officer compensation plans, policies and programs and for recommending to the board the specific compensation arrangements for executive officers and directors. After consideration of the compensation committee's recommendations, the full board of directors reviews and approves the compensation of all elected officers, including the executive officers named in the Summary Compensation Table on page 10, and also determines the compensation for the board itself.

The compensation committee oversees the administration of the Company's executive compensation programs including programs for cash bonuses, stock options and the Net Profits Interest Bonus Plan. The compensation committee annually evaluates the chief executive officer's performance in light of goals and objectives previously established and recommends to the board of directors the chief executive officer's compensation based on such evaluation. The compensation committee also reviews the performance of the Company's pension and 401(k) plans with the trustees of those plans and in addition the compensation committee approves the grants of stock options made to all employees under the Company's stock option plans.

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The goals of the Company's integrated management compensation programs include the following:

- o To attract and retain talented management personnel;
- o To encourage management to obtain superior returns for St. Mary's stockholders; and
- o To promote preservation and growth of the Company's income producing assets.

Salaries

In order to emphasize performance-based incentive compensation, base salaries of executive officers are targeted not to exceed the median salaries of similar officers in industry companies having a financial position and performance comparable to that of the Company. The compensation committee, with the assistance and information from external consultants, determines the salary ranges for various positions based on survey data from the Company's industry peer group. The compensation committee then reviews management's recommendations for executive officer salaries and the performance summaries on which they are based. The compensation committee makes final salary recommendations to the full board of directors based on officer experience, sustained performance and comparisons to peers both inside and outside the Company.

Incentive Compensation

The Company has established three incentive compensation plans, which have the potential to substantially increase annual compensation if the economic performance of the Company and its employees so warrants. These plans have

certain specific objectives.

1. The Company has established a Cash Bonus Plan. Each year the board of directors evaluates the overall performance of the Company for the year as well as of the Company's individual regions and with the assistance of the compensation committee determines the total cash bonus available to be allocated to employees. The participation of each designee in the total allocated is a function of overall, regional and individual performance during the year.

2. The Stock Option Plan is intended to reward executive officers of the Company for long-term increases in the value of the Company's stock. The Stock Option Plan focuses on appreciation of the market price of the Company's stock over a period of up to ten years and is designed to encourage management's concern for long-term appreciation of the stockholders' interests. As presently implemented by the board of directors, if the average stock appreciation during this period is 15% per year, then the persons granted stock options at the beginning of the period generally will, at the end of five years, have the opportunity to realize an amount of appreciation through exercise of their stock options approximately equal to 100% of their base salary at the time the stock options were granted. In addition, an Incentive Stock Option Plan ("ISO Plan") has been established as a companion option plan with the Stock Option Plan. The

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ISO Plan is an alternative to the Stock Option Plan for those employees designated by the board of directors to be granted stock options, with such employees electing at the time of grant whether the options granted will be either an equal number of: (a) non-tax qualified options granted under the above-described Stock Option Plan or (b) incentive stock options granted under the ISO Plan.

3. The Net Profits Interest Bonus Plan is designed to reward the contributions made by various management personnel to the Company's financial success. Plan participants share in the net profits, after payout to the Company of its related capital expenditures, derived from all oil and gas activity for a calendar year based on a portion of their relative weighted salaries paid during the year as well as on subjective performance criteria. Recognizing that the primary incentive for profitable operations and acquisitions needs to be provided to the most senior of the executive officers, the salaries of the president, the executive vice-president and other vice-presidents as deemed appropriate by the compensation committee are weighted at 100% and the salaries of all other participants are weighted at two-thirds of actual base salary or less. Payout with respect to a net profits pool established for a year will generally not occur until a later year at which time payments to participants with respect to such earlier year pool will commence but will not bear a direct relationship to the Company's performance during such later year.

The committee's goal is that, over time, the combined amounts of compensation received by Company executives from the stock option plan and the Net Profits Interest Bonus Plan will approximate the value of stock options and other long-term incentives received by executives at peer companies in the oil and gas industry with similar financial position and performance to that of the Company.

Compensation of the Chief Executive Officer

The compensation of Mark A. Hellerstein, chairman of the board of directors, president and chief executive officer, consists of the same components and criteria as other executive officers, including base salary, cash bonus, stock options and net profits interest bonus. His base salary is reviewed annually by the compensation committee and is targeted to approximate the median salaries of chief executive officers of industry companies having a financial position and performance comparable to that of the Company, with a greater emphasis on incentive compensation tied to the Company's performance. Mr. Hellerstein's base salary in 2002 increased \$38,333 or 13% over 2001. His total cash and net profits interest bonuses decreased by approximately \$21,500 in 2002 compared with 2001 primarily as a result of the normal decline in net cash flow from net profit pools granted in prior years as well as changes in oil and gas prices and expenses. Mr. Hellerstein was granted a \$52,800 bonus under the cash bonus plan for 2002 since the Company met its corporate goals. In that respect total reserves grew by 28% and the Company replaced 305% of its 2002 production, both measures being above targeted levels. In addition the price adjusted net asset value per share grew 13% in 2002. To further tie compensation to stock price appreciation, Mr. Hellerstein and several other key executives were granted stock options in 2002 using two times the formula as that used for all other employees.

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During 2002 the compensation committee and the board of directors engaged in an in-depth special review and analysis of the long-term performance and compensation of Mr. Hellerstein and of Ronald D. Boone, the Company's executive vice president and chief operating officer. This review and analysis included the key events of the Company and the principal accomplishments of such persons over ten years along with the total return over that period to Company shareholders all of which were determined by the compensation committee and the board to be favorable. The Company's performance in the above respects was compared to that of similar industry companies which comparison was also determined to be favorable. Finally, the compensation committee and the board compared the cash and stock compensation of Messrs. Hellerstein and Boone to that of the persons holding the same positions in the comparable industry

companies. Based on the foregoing the base salaries of Messrs. Hellerstein and Boone were increased. Also, based on the foregoing, Messrs. Hellerstein and Boone received substantial extraordinary stock options consisting of an option to purchase 250,000 shares for Mr. Hellerstein and an option to purchase 100,000 shares for Mr. Boone both exercisable at \$23.16 per share which was the market price of the Company's stock at the time of grant. The maximum term of the options is ten years. The options vest on a slower schedule than other Company options in order to incentivize the long-term retention of Messrs. Hellerstein and Boone, with fifty percent of the options not becoming exercisable until the fourth and fifth anniversaries of the option grants (25 percent becoming exercisable on each of those anniversaries).

Conclusion

St. Mary's executive compensation is linked to individual and corporate performance and stock price appreciation. Compensation is set in comparison to similar industry companies. The compensation committee plans both to continue the policy of linking executive officer compensation to individual and corporate performance and returns to stockholders and to provide a cash bonus incentive to key employees which will provide performance motivation partially independent of the fluctuations in the oil and gas industry's business cycle.

William J. Gardiner, Chairman
 Barbara M. Baumann
 Larry W. Bickle
 Arend J. Sandbulte

March 31, 2003

RETIREMENT PLANS

Pension Plan

The Company's Pension Plan is a qualified, non-contributory defined benefit plan which is available to substantially all employees. This plan was amended in

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1994 to conform with the changes required by the Tax Reform Act of 1986 and to reduce the plan formula. The Company also has a supplemental pension plan for certain executive officers to provide for benefits in excess of Internal Revenue Code limits.

The qualified plan provides a benefit after 25 years of service equal to 35% of final average compensation, subject to Internal Revenue Code limits. Final average compensation is the average of the highest 3 consecutive years of the 10 years preceding termination of employment. For each named executive officer, the level of compensation used to determine benefits payable under the qualified pension plan is that officer's average of the base salaries (excluding bonus) shown in the Summary Compensation Table.

The supplemental plan provides executives hired before 1995, after completing 15 years of service and reaching age 65, a benefit equal to 40% of final average compensation plus 37% of final average compensation integrated with the social security wage base without regard to compensation limitations provided under the qualified plan, less the benefit provided by the qualified plan. For executives hired after 1994, the supplemental benefit is calculated using the formula for the qualified plan without the limitation imposed by Section 415 of the Internal Revenue Code, less the benefit provided by the qualified plan.

The following table shows the estimated maximum annual benefits payable upon retirement at age 65 as a straight life annuity to participants in the pension plans for the indicated levels of average annual compensation and years of service.

Remuneration	Estimated annual pension benefits for executives hired before 1995 with > 15 years of service	Estimated annual pension benefits for executives hired after 1994 with > 25 years of service
\$100,000	\$ 62,570	\$ 35,000
150,000	101,070	52,500
200,000	139,570	70,000
250,000	178,070	87,500
300,000	216,570	105,000
350,000	255,070	122,500

As of December 31, 2002, the named executive officers have the following years of credited service:

Mark A. Hellerstein	11
Ronald D. Boone	12
Robert L. Nance	4
Douglas W. York	6

401(k) Plan

The Company's 401(k) Profit Sharing Plan is a defined contribution pension plan subject to the Employee Retirement Income Security Act of 1974. The 401(k) Plan allows eligible employees to contribute up to nine percent of their income on a pre-tax basis through contributions to the 401(k) Plan. The Company matches each employee's contributions up to six percent of the employee's pre-tax income. Company contributions vest over an employee's first five years of employment.

PERFORMANCE GRAPH

The following performance graph compares the cumulative total stockholder return on St. Mary's common stock for the period December 31, 1997 to December 31, 2002 with the cumulative total return of the Standard Industrial Classification Code for Crude Petroleum and Natural Gas and the Standard & Poor's 500 Stock Index. The SIC Code for Crude Petroleum and Natural Gas is 1311. The identities of the companies included in the index will be provided upon request.

[GRAPH APPEARS HERE]

CUMULATIVE TOTAL RETURN*
THE COMPANY, S&P 500 AND SIC CODE INDEX

	12/31/97	12/31/98	12/31/99	12/31/00	12/31/01	12/31/02
ST. MARY LAND & EXPLORATION COMPANY	100.00	53.30	71.95	194.86	124.55	147.54
SIC CODE INDEX	100.00	80.10	97.85	124.30	114.05	121.59
S&P 500 INDEX	100.00	128.58	155.64	141.46	124.65	97.10

Assumes \$100 invested on December 31, 1997 in St. Mary Land & Exploration Company, SIC Code Index for Crude Petroleum and Natural Gas and S&P 500 Stock Index.

*Total return assumes reinvestment of dividends.

EMPLOYMENT AGREEMENTS AND TERMINATION OF
EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS

On September 1, 1991, St. Mary entered into an employment agreement with Mark A. Hellerstein. His current salary is \$355,000 per year. Compensation is reviewed annually. Mr. Hellerstein participates in St. Mary's benefit plans and is entitled to bonuses and incentive compensation as determined by the board of directors. The agreement is terminable at any time upon 30 days' notice by either party. Upon termination of the agreement by St. Mary for any reason whatsoever (other than death, disability or misconduct by Mr. Hellerstein), St. Mary is obligated to continue to pay his compensation, including insurance benefits, for a period of one year.

St. Mary has established a change in control executive severance policy and entered into change of control severance agreements whereby certain officers of St. Mary, including the officers named in the Summary Compensation Table, are entitled to receive severance payments in the event that their employment is terminated within two and one-half years after a change in control of the Company (a) without "cause" by the Company or (b) for "good reason" by the officer (e.g. an adverse change in the officer's status after a change in control), each as defined in the agreements. The severance payments would equal up to two and one-half years annual base salary, depending on the length of time employment continues after the change in control provided that in no event would the severance payments equal less than one year's annual base salary. In addition, all insurance and fringe benefits will be provided for a period of one year.

A change in control is defined to include (i) an acquisition of more than fifty percent of the common stock or assets of the Company in a reorganization, merger or consolidation of the Company or (ii) a change in more than fifty percent of the composition of the board of directors of the Company other than as a result of the election of new members of the board of directors by a vote of the incumbent members of the board of directors or by stockholders of the Company pursuant to the recommendation of the incumbent members of the board of directors.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Set forth below is a description of transactions entered into between St. Mary and certain of its officers and directors during the last fiscal year. Some of these transactions will continue in effect and may result in conflicts of interest between St. Mary and these individuals. Although these persons owe fiduciary duties to St. Mary and its stockholders, we cannot assure you that conflicts of interest will always be resolved in favor of St. Mary.

As a result of their prior employment with another company with which St. Mary engaged in a number of transactions, Ronald D. Boone, the Executive Vice President and Chief Operating Officer and a director of St. Mary, and two other vice presidents of St. Mary own royalty interests in many of St. Mary's properties, which were earned as part of the prior employer's employee benefit

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programs. One vice president also owns certain working interests through participation in acquisitions made by his former employer. Those persons have no royalty participation in any new St. Mary properties.

Mr. Boone also owns 25% of Princeton Energy LLC, which owns the oil and gas working interests that he acquired as a result of his prior employment. Although Mr. Boone does not manage this entity, he may participate in any investment decisions made by them.

In July 2000, St. Mary made an interest-free loan of \$200,000 to Robert T. Hanley at the time he was appointed Vice President - Business Development of St. Mary. The loan was made to enable Mr. Hanley to purchase a residence in Denver, Colorado in connection with St. Mary's relocation of Mr. Hanley to Denver from Billings, Montana, where housing costs are substantially lower. Mr. Hanley was previously Chief Financial Officer of Nance Petroleum Corporation, a wholly owned subsidiary that St. Mary acquired in June 1999, which has its principal offices in Billings. This loan was repaid in October 2002.

St. Mary's by-laws provide that no director may pursue a business or investment opportunity for himself if he has obtained knowledge of such opportunity through his affiliation with the Company. Moreover, no officer or employee of St. Mary may pursue for his own account an oil and gas opportunity irrespective of the source of his knowledge of the opportunity unless (a) with respect to an officer of St. Mary, the interest has been approved by the board of directors and (b) with respect to a non-officer of St. Mary, such interest of the employee has been approved by a senior officer of St. Mary with full knowledge of such opportunity. These restrictions do not apply to the acquisition of less than one percent of the publicly traded stock of another company.

OTHER MATTERS TO BE VOTED ON

Amendment to the Stock Option Plans

St. Mary's stockholders are being asked to approve an amendment to St. Mary's stock option plans which will increase the total number of shares of common stock that may be issued under the stock option plans by 1,300,000 to 5,600,000.

The stock option plans currently cover a total of 4,300,000 shares of common stock and have approximately 248,515 remaining shares available for new option grants. The number of shares subject to options generally granted during a one-year period is 750,000. On March 27, 2003, the board of directors approved an amendment to the stock option plans increasing the number of shares authorized to be issued under the stock option plans to 5,600,000. The primary purpose of the amendment is to ensure that St. Mary will have a sufficient reserve of common stock available for the stock option plans.

The board of directors believes that the availability of stock options is important to St. Mary and enhances stockholder value by increasing St. Mary's ability to attract, retain and motivate key employees of the Company through

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providing them with the means of acquiring an interest in St. Mary. St. Mary intends to issue additional options under the amended stock option plans over an extended uncertain period of time and it is anticipated that the additional stock options will be issued both to present and to future key employees of St. Mary.

The following is a summary of the principal features of the stock option plans, as amended. Copies of the stock option plans will be furnished by St. Mary to any stockholder upon written request to the corporate secretary.

The stock option plans consist of two separate but companion option plans:

1. The Stock Option Plan adopted by the board of directors effective November 21, 1996 to replace the 1992 SAR Plan, and
2. The ISO Plan adopted by the board of directors effective March 27, 1997.

The Stock Option Plan

A select group of employees, consultants and members of the board of directors of the Company or of any subsidiary of the Company are eligible to participate in the stock option plans. As of December 31, 2002, 111 persons had been designated by the board of directors to participate in the stock option plans for this year.

The total number of shares of common stock which may be issued under the stock option plan is 5,600,000, after giving effect to the proposed amendment.

However, to the extent that options are issued under the ISO Plan, the shares of common stock that may be issued under the stock option plan are reduced. At the discretion of the board of directors the stock option plan may be administered by a committee of two or more non-employee Directors appointed by the board. Optionees under the stock option plan shall be selected at the discretion of the board or such committee from among those eligible participants who, in the opinion of the board or such committee, are or were in a position to contribute materially to St. Mary's continued growth and development and to its long-term success. Subject to the provisions of the Stock Option Plan, the board or such committee shall have complete discretion in determining the terms and conditions and number of options granted under the Stock Option Plan.

Options granted under the Stock Option Plan are exercisable at the market price of St. Mary's common stock on the date of grant, are to have a term not to exceed ten years and may be exercised to the extent vested. Options under the Plan will fully vest (i) just prior to the completion of an acquisition of the Company or (ii) upon termination of the optionee's employment with the Company due to death, disability or normal retirement. Unexercised options will terminate (i) upon completion of an acquisition of St. Mary or (ii) upon termination of the optionee's employment with St. Mary for cause. Nothing

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contained in the Stock Option Plan shall be construed to give any employee or consultant any right to continued employment or association with St. Mary.

Each option under the Stock Option Plan must be evidenced by a written option agreement that specifies the exercise price, the duration of the option, the number of shares of stock to which the option applies, and such vesting or exercisability restrictions and other terms and conditions which the board or committee may impose.

The principle federal income tax consequences of the issuance and exercise of options under the Stock Option Plan are, in general, as follows:

1. Options issued under the Stock Option Plan are not intended to qualify as "incentive stock options" under the Internal Revenue Code.
2. Upon the issuance of an option under the Stock Option Plan, the optionee will have no taxable income and St. Mary will have no tax deduction.
3. Upon exercise of an option under the Stock Option Plan, the optionee will realize ordinary taxable income in an amount equal to the excess of the fair market value of the underlying shares of common stock at the time the option is exercised over the exercise price of the option for such shares.
4. The amount of income recognized by the optionee will be deductible by St. Mary as compensation in the year in which ordinary income is recognized by the optionee by reason of exercise of options under the Stock Option Plan.
5. An optionee's basis for the shares of common stock acquired pursuant to the exercise of options under the Stock Option Plan will be the option exercise price plus any amount recognized as ordinary income by reason of the exercise of the options.
6. Upon the sale of the common stock acquired pursuant to the exercise of options under the Stock Option Plan, capital gain or loss will be realized by the optionee in the amount by which the sales price is greater or less than the basis of such stock. Such gain or loss will be long-term or short-term depending on whether the shares were held for more than one year after the option was exercised.

The ISO Plan

The ISO Plan is a companion option plan with the Stock Option Plan. It is intended that the ISO Plan will be an alternative to the Stock Option Plan for those employees designated by the board of directors to be granted stock options, with such employees electing at the time of grant whether the options to be granted shall be options granted under the Stock Option Plan or incentive stock options granted under the ISO Plan. All employees of the Company or any subsidiary of the Company are eligible to participate in the ISO Plan.

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The total number of shares of common stock which may be issued under the ISO Plan is 5,600,000, after giving effect to the proposed amendment. However, to the extent that options are issued under the Stock Option Plan, the shares of common stock that may be issued under the ISO Plan are reduced. At the discretion of the board of directors the ISO Plan may be administered by a committee of two or more non-employee directors appointed by the board. Optionees under the ISO Plan shall be selected at the discretion of the board or such committee from among those eligible participants who, in the opinion of the board or such committee, are in a position to contribute materially to St. Mary's continued growth and development and to its long-term success. Subject to the provisions of the ISO Plan, the board or such committee shall have complete discretion in determining the terms and conditions and number of options granted under the ISO Plan.

It is intended that options granted under the ISO Plan will constitute "incentive stock options" under the Internal Revenue Code and thus the ISO Plan provides that options granted thereunder are to be (i) exercisable at the market

price of St. Mary's common stock on the date the options are granted, (ii) nontransferable by the optionee, and (iii) terminated if not exercised within 3 months of an optionee's termination of employment with St. Mary. Further, options granted under the ISO Plan will have a term of no more than ten years (and a term of no more than five years with respect to any option granted to a ten percent or more shareholder). Options under the ISO Plan will fully vest (i) just prior to the completion of an acquisition of the Company or (ii) upon termination of the optionee's employment with the Company due to death, disability or normal retirement. Unexercised options will terminate (i) upon completion of an acquisition of the Company or (ii) upon termination of the optionee's employment with the Company for cause. Nothing contained in the ISO Plan shall be construed to give any employee any right to continued employment with the Company.

Unless earlier terminated by the board of directors, the ISO Plan shall terminate on the date ten years subsequent to the date of the adoption of the ISO Plan by the board, after which date no options may be granted under the ISO Plan. The board of directors may at any time terminate the ISO Plan and from time to time may amend or modify the ISO Plan, provided, however that no such action of the board, without approval of the shareholders, may: (i) increase the total amount of common stock which may be purchased through options granted under the ISO Plan; or (ii) change the class of employees eligible to receive options under the ISO Plan.

Each option under the ISO Plan must be evidenced by a written option agreement that specifies the exercise price, the duration of the option, the number of shares of stock to which the option applies, and such vesting or exercisability restrictions and other terms and conditions which the board or committee may impose.

The principle federal income tax consequences of the issuance and exercise of options under the ISO Plan are, in general, as follows:

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1. Options issued under the ISO Plan are intended to qualify as "incentive stock options" under the Internal Revenue Code.

2. Upon the issuance of an option under the ISO Plan, the optionee will have no taxable income and St. Mary will have no tax deduction.

3. The tax consequences upon exercise of the option and later disposition of the shares of common stock acquired thereby depend upon whether the optionee satisfies the holding period rule whereby the optionee must hold the shares for more than one year after exercise and two years after the date of issuance of the option.

4. If the optionee satisfies the holding period rule, the optionee will not realize income upon exercise of the option (although the excess of the fair market value of the shares on the date of exercise over the option price must be included as an adjustment in computing alternative minimum taxable income) and St. Mary will not be allowed an income tax deduction at any time. The difference between the option price and the amount realized upon disposition of the shares by the optionee will constitute a long-term capital gain or loss, as the case may be.

5. If the optionee fails to observe the holding period rule, the portion of any gain realized upon such disqualifying disposition of the shares which does not exceed the excess of the fair market value at the date of exercise over the option price will be treated as ordinary income to the optionee, the balance of any gain or any loss will be treated as capital gain or loss (long-term or short-term depending on whether the shares were held for more than one year after the option was exercised) and St. Mary will be entitled to a deduction equal to the amount of ordinary income upon which the optionee is taxed.

Since the board of directors believes that the proposed increase in the number of shares authorized for issuance under the stock option plans will attract, retain and motivate key employees and enhance stockholder value, the board of directors recommends that stockholders vote FOR approval of the amendment to the stock option plans to increase the number of authorized shares available for issuance under the stock option plans by 1,300,000 to 5,600,000.

Approval of Non-Employee Director Stock Compensation Plan

St. Mary's stockholders are being asked to approve a Non-Employee Director Stock Compensation Plan to authorize the issuance of up to a total of 30,000 shares of St. Mary common stock to non-employee directors as part of their annual or other compensation over an anticipated period of up to five years.

On March 27, 2003, the board of directors approved the plan in order to submit the plan for stockholder approval in accordance with current and proposed listing standards of the New York Stock Exchange, on which St. Mary common stock began trading on November 20, 2002. The purpose of the plan is to enhance

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stockholder value by attracting, retaining and further motivating non-employee directors and to encourage and enable such directors to acquire a proprietary interest in St. Mary by issuing shares of St. Mary common stock to non-employee directors as compensation for serving as members of the board of directors and

board committees.

Each non-employee director currently receives 1,200 shares of St. Mary common stock per year for serving as a director, along with \$750 in cash for each meeting attended in person, \$600 in cash for each committee meeting attended in person and \$375 in cash for telephonic meetings. There are currently six non-employee directors. St. Mary expects to continue issuing approximately 1,200 shares of St. Mary common stock per year to non-employee directors under the plan, subject to stockholder approval of the plan and overall levels of director compensation at comparable companies.

The following is a summary of the principal features of the plan, a copy of which is attached hereto as Annex B. In addition, St. Mary will furnish a copy of the plan to any stockholder upon written request to the corporate secretary.

All members of the board of directors who are not employees of St. Mary or any subsidiary of St. Mary are eligible to participate in the plan and be issued shares of St. Mary common stock under the plan. There are currently six non-employee directors of St. Mary.

The total number of shares authorized for issuance under the plan is 30,000, subject to corresponding adjustment in the event of a stock dividend, split or similar change in capitalization. Shares may be issued to non-employee directors in such amounts and at such times as determined by the board of directors as annual or other compensation to non-employee directors for serving as members of the board of directors and any board committees. The board will have complete discretion in determining the term and conditions and number of shares to be issued to non-employee directors under the plan, provided that the number of shares issued under the plan to a non-employee director shall in the good faith and judgment of the board (a) represent reasonable compensation for the services and responsibilities of such director and (b) be generally consistent with the past practices of St. Mary with respect to compensation of non-employee directors, as adjusted to reflect changes in applicable circumstances.

The shares of stock issued under the plan will not be registered under the Securities Act of 1933 and therefore will be restricted securities. Accordingly, non-employee directors will not be able to sell shares issued under the plan until they have held the shares for a period of one year.

Unless terminated earlier by the board of directors, the plan will terminate upon the expiration of five years after the date of the adoption of the plan by the board, after which date no shares may be issued under the plan. The board of directors may at any time terminate the plan and from time to time may amend or modify the plan, provided that no such action of the board, without approval of the stockholders, may: (i) increase the total number of shares of common stock which may be issued under the plan, or (ii) effect any change for

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which stockholder approval is required by law or regulation governing St. Mary or by any applicable listing standards of a national securities exchange.

The principle federal income tax consequences of the issuance of shares of St. Mary common stock under the plan are, in general, as follows:

1. Upon receipt of shares of St. Mary common stock under the plan, the non-employee director will recognize ordinary taxable income in an amount equal to the fair market value of the shares of common stock at the time of receipt.

2. The amount of income recognized by the non-employee director will be deductible by St. Mary as compensation expense in the year in which ordinary income is recognized by the non-employee director.

3. A recipient's basis for the shares of common stock received under the plan will be the amount recognized as ordinary income upon receipt of the shares.

4. Upon the sale of the common stock issued under the plan, capital gain or loss will be recognized by the recipient in the amount by which the sales price is greater or less than the basis of such stock. Such gain or loss will be long-term since as restricted securities the shares must be held for more than one year.

Since the board of directors believes that the proposed Non-Employee Director Stock Compensation Plan will attract, retain and further motivate non-employee directors and enhance stockholder value, the board of directors recommends that stockholders vote FOR approval of the Non-Employee Director Stock Compensation Plan.

Equity Compensation Plans. St. Mary has a stock option plan, an incentive stock option plan and an employee stock purchase plan under which options and shares of St. Mary common stock are authorized for grant or issuance as compensation to eligible employees, consultants and members of the board of directors. Each of these plans has been approved by our stockholders. The following table is a summary of the shares of common stock authorized for issuance under our equity compensation plans as of December 31, 2002:

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Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	3,061,566	\$21.34	1,118,588 (1)
Equity compensation plans not approved by security holders	-	-	-
Total	3,061,566	\$21.34	1,118,588

(1) Includes 870,073 shares which are authorized for issuance under our employee stock purchase plan.

Other than the election of directors, the amendment to the stock option plans and the approval of the Directors Stock Compensation Plan, the Company is aware of no other matters to be submitted to a vote of the stockholders at the annual meeting.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Under U.S. securities laws, directors, executive officers and persons holding more than 10% of St. Mary common stock must report their initial ownership of the common stock and any changes in that ownership in reports which must be filed with the SEC and St. Mary. The SEC has designated specific deadlines for these reports and St. Mary must identify in this proxy statement those persons who did not file these reports when due.

Based solely on a review of reports filed with the Company, all directors and executive officers timely filed all reports regarding transactions in the Company's securities required to be filed for 2002 by Section 16(a) under the Securities Exchange Act of 1934, except for Mark Hellerstein for 47 shares and Garry Wilkening for 2 shares as a result of shares purchased by their broker to reinvest dividends received from St. Mary.

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INDEPENDENT ACCOUNTANTS

As previously reported in St. Mary's Current Report on Form 8-K filed with the SEC on May 30, 2002, on May 23, 2002, St. Mary Land & Exploration Company ("St. Mary") dismissed Arthur Andersen LLP ("Andersen") as St. Mary's independent accountants. The St. Mary audit committee and board of directors approved this dismissal.

Andersen's reports on St. Mary's financial statements for the last two fiscal years did not contain an adverse opinion or a disclaimer of opinion, and were not qualified or modified as to uncertainty or audit scope. In addition, there were no modifications as to accounting principles except that the audit report of Andersen for the fiscal year ended December 31, 2001 contained an explanatory paragraph with respect to the change in the method of accounting for derivative instruments effective January 1, 2001 as required by the Financial Accounting Standards Board.

During the two most recent fiscal years and the interim period from January 1, 2002 to the date of the dismissal of Andersen on May 23, 2002, there were no disagreements between St. Mary and Andersen on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which if not resolved to the satisfaction of Andersen would have caused them to make reference to the subject matter thereof in connection with their reports.

As previously reported in St. Mary's Current Report on Form 8-K filed with the SEC on June 3, 2002, St. Mary engaged Deloitte & Touche LLP as St. Mary's new independent accountants on June 3, 2002. The St. Mary audit committee and board of directors approved this new engagement.

To the knowledge of management, neither Deloitte & Touche LLP nor any of its members has any direct or material indirect financial interest in St. Mary nor any connection with St. Mary in any capacity other than as independent public accountants. A representative of Deloitte & Touche LLP is expected to be present at the annual meeting and will have an opportunity to make a statement if he desires to do so and to respond to appropriate questions.

The Company paid the following fees to the independent accountants for the audit of the consolidated financial statements and for other services provided

in the year ended December 31, 2002.

Audit Fees.....	\$118,906
Audit Related Fees.....	53,767
Tax Fees.....	7,500
All Other Fees.....	0

Total Fees.....	\$180,173

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Audit related fees were primarily related to the audit and review of St. Mary's benefit plans. The audit committee has concluded that the provision of these non-audit services is compatible with maintaining the accountants' independence. The audit committee now approves any non-audit services provided by the independent accountants.

FUTURE STOCKHOLDER PROPOSALS

St. Mary must receive any St. Mary stockholder proposal for the annual meeting of stockholders in 2004 before November 1, 2003 for the proposal to be included in the St. Mary proxy statement and form of proxy for that meeting. St. Mary's by-laws require that advance written notice in proper form of stockholder proposals for matters to be brought before an annual stockholders meeting be received by the Secretary of St. Mary not less than 75 days nor more than 105 days before the first anniversary date of the immediately preceding annual stockholders meeting. Accordingly, notice of stockholder proposals for the 2004 annual meeting must be received by St. Mary between February 6, 2004 and March 8, 2004.

OTHER MATTERS

Management does not know of any other matters to be brought before the annual meeting of stockholders. If any other matters not mentioned in this proxy statement are properly brought before the meeting, the individuals named in the enclosed proxy intend to use their discretionary voting authority under the proxy to vote the proxy in accordance with their best judgment on those matters.

By Order of the Board of Directors

/s/ RICHARD C. NORRIS

Richard C. Norris
Secretary

April 4, 2003

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ANNEX A

ST. MARY LAND & EXPLORATION COMPANY

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

As Amended by the Board of Directors on January 23, 2003

I. Audit Committee Purpose

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities with respect to:

- o The integrity of the Company's financial statements and financial reporting process and systems of internal controls regarding finance, accounting and compliance with legal and regulatory requirements.
- o The qualifications, independence and performance of the Company's independent auditors.
- o The performance of the Company's internal audit function.
- o The Company's financial risk assessment and risk management policies.
- o The Company's compliance with legal and regulatory requirements relating to the above matters.
- o Establishing and maintaining an avenue of communication among the independent auditors, individuals performing the finance, accounting, financial reporting and internal audit functions, management and the Board of Directors.

II. Audit Committee Authority

The Audit Committee has the authority to conduct any investigation and to take any other action appropriate to fulfill its responsibilities, and it

shall have direct access to the independent auditors as well as to any person in the Company. The Audit Committee has the authority to retain, at the Company's expense, special independent legal, accounting and other advisers and experts it deems necessary to advise and assist the Committee in the performance of its responsibilities. The Company shall provide appropriate funding, as determined by the Audit Committee, for the payment of compensation to the independent auditors employed by the Company and any other persons retained by the Audit Committee.

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III. Audit Committee Composition and Meetings

The Audit Committee members shall meet the independence requirements of applicable laws and regulations and the rules of the New York Stock Exchange, and shall meet the financial literacy requirements of the New York Stock Exchange. The Audit Committee shall be comprised of at least three Directors appointed by the Board, each of whom shall be an independent nonexecutive Director without any relationship or activity which, in the opinion of the Board, would interfere with the exercise of his or her independent judgment in carrying out the responsibilities of a member of the Committee. All members of the Committee shall have a basic understanding of finance and be able to read and understand fundamental financial statements, and at least one member of the Committee shall have accounting or related financial management expertise and experience as required by the rules of the New York Stock Exchange.

The Audit Committee members, including its Chair, shall be appointed by the Board. If an Audit Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee members. Members of the Audit Committee may be removed by action by a majority of the independent Directors of the Board.

The Committee shall meet at least four times annually, pursuant to an annual calendar of scheduled meetings with planned agenda items to be prepared and distributed each year to the members of the Committee, and more frequently as circumstances dictate. The Audit Committee Chair shall prepare an agenda in advance of each meeting. As circumstances dictate but at least twice annually the Committee shall meet privately in executive sessions with management, the senior internal audit executive and with the independent auditors to discuss any matters that the Committee or any of these groups believe should be discussed.

IV. Audit Committee Responsibilities and Duties

Review Procedures

1. Review and reassess the adequacy of this Charter at least annually. Submit amendments of the Charter to the Board of Directors for approval and include the Charter in the proxy statement for the election of Directors at least once every three years in accordance with applicable regulations.
2. Review and discuss the Company's annual audited financial statements, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to their final completion and filing with the Securities and Exchange Commission ("SEC"). Review procedures should include discussions with financial management and the independent auditors of significant issues regarding accounting principles, practices and judgments.
3. Review and discuss with financial management and the independent auditors the Company's quarterly financial statements, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to final completion and release of earnings. Discuss any significant

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changes to the Company's accounting principles, practices and judgments and any items required to be communicated by the independent auditors to the Committee in accordance with Statement of Auditing Standards ("SAS") No. 61, Communication with Audit Committees, as amended.

4. Review and discuss with financial management and, to the extent necessary, the independent auditors earnings press releases and financial information and earnings guidance provided to analysts.
5. Review and discuss with financial management significant findings of the independent auditors and the internal auditors, including the status of previous recommendations, together with management's responses thereto.
6. In consultation with financial management, the independent auditors and internal auditors, review and discuss the integrity of the Company's procedures for financial reporting and internal system of audit and financial and accounting controls, including review and approve an annual report of financial management on the foregoing.

7. Review and discuss with management the Company's risk assessment and risk management guidelines and policies with respect to the Company's significant financial risk exposures, and the steps management has taken as well as the specific guidelines and policies which have been established to monitor, control, mitigate and report such exposures. Such review and discussion shall cover the Company's hedging arrangements and insurance coverage as appropriate.

Independent Auditors

8. The Audit Committee shall be directly and solely responsible for the appointment, compensation and oversight of the work of the independent auditors employed by the Company for the purpose of issuing an audit report and related work, and such auditors shall have a reporting relationship directly with the Audit Committee. The independent auditors shall be accountable to the Audit Committee and the Board of Directors. The Audit Committee, in conjunction with the Company's financial management and internal control personnel, shall review and evaluate the independence and performance of the independent auditors.
9. The Audit Committee shall approve the fees and any other significant compensation to be paid to the independent auditors. The Audit Committee shall approve in advance any non-audit services to be performed by the auditors, which non-audit services shall be permissible under law and not impair the independence of the auditors. Such pre-approval requirement shall be waived only if the non-audit services meet a de minimis exception allowed by law.
10. The Audit Committee shall take appropriate action to oversee the independence of the auditors. On at least an annual basis, the Committee shall review and discuss with the independent

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auditors the auditors' independence and all significant services performed for and relationships they have with the Company that could bear on the auditors' independence. The Committee shall annually receive from the independent auditors a formal written statement delineating all relationships between the auditors and the Company and a letter confirming that in the auditors' professional judgment they are independent of the Company, as required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees.

11. Review and approve the independent auditors' engagement letter and audit plan and with respect to the audit discuss with the auditors their scope, staffing, locations, reliance upon management and internal audit, and the general audit approach.
12. Review and discuss with the independent auditors the Company's financial reporting and accounting standards and principles, significant changes in such standards or principles or in their application and the key accounting decisions affecting the Company's financial statements, including alternatives to and the rationale for the decisions made. Review and discuss with the independent auditors any other audit problems encountered and management's response thereto.
13. Review and discuss at least annually a report from the independent auditors on the auditing firm's internal quality-control procedures, any material issues raised within the preceding five years by the auditors' internal quality-control reviews, by peer reviews of the auditors or by any governmental or other inquiry or investigation relating to any audit conducted by the auditors. The Committee shall also review and discuss steps taken by the auditors to address any issues in any of the foregoing reviews.
14. Establish policies with respect to the Company's hiring of employees and former employees of the independent auditors.
15. Terminate and replace the independent auditors when determined appropriate solely by the Audit Committee.

Internal Auditors

16. The internal auditors shall be responsible to senior management, but have a reporting relationship directly with the Audit Committee with respect to internal audit matters. Changes in the senior internal audit executive shall be subject to Audit Committee approval. The Audit Committee, in conjunction with the Company's financial management, shall review and evaluate the performance of the internal audit function.

17. Review and approve the internal audit plan, scope, staffing, procedures, locations and general internal audit approach.
18. Review and discuss the organizational structure of the internal audit function and the qualifications of internal audit personnel, as needed.
19. Review and discuss the appointment, performance and replacement of the senior internal audit executive.

Legal Compliance

20. On at least an annual basis, review with the Company's general counsel any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations and any inquiries with respect thereto received from regulators or governmental agencies.

Other Audit Committee Responsibilities

21. Based on the review and discussion of the audited financial statements with management and with the independent auditors of the matters required to be discussed by SAS No. 61 and the independent auditors' independence, recommend to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for filing with the SEC.
22. Review and discuss with management and the Company's independent engineers the annual evaluation of the Company's oil and gas reserves.
23. Review and discuss with financial management and the independent auditors any off-balance sheet transactions.
24. Review and approve all related party transactions of the Company.
25. Establish procedures for the receipt, retention and treatment of any complaints received from any person regarding accounting, internal accounting controls or auditing matters of the Company.
26. Review and discuss with management certificates provided by management with respect to financial reports filed by the Company with the SEC and the processes utilized therefor.
27. Prepare the Audit Committee Report required by SEC rules to be included in the Company's annual proxy statement.
28. Cause all required corrective actions to be taken with respect to the matters and activities described in this Charter.

29. Perform any other activities consistent with this Charter, the Company's By-Laws or governing laws and regulations as the Committee or the Board deems necessary or appropriate.
30. Maintain minutes of meetings and regularly report to the Board of Directors on significant results of the activities described in this Charter.
31. Present to the Board of Directors annually an evaluation of the performance of the Audit Committee.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. That is the responsibility of management and the independent auditors. It is also not the duty of the Audit Committee to conduct all investigations, other than those contemplated by this Charter, or to ensure compliance with all laws and regulations.

This Charter shall be amended as appropriate to comply with all applicable requirements of laws and regulations of the SEC and the New York Stock Exchange.

ST. MARY LAND & EXPLORATION COMPANY

NON-EMPLOYEE DIRECTOR STOCK COMPENSATION PLAN

ARTICLE I
ESTABLISHMENT AND PURPOSE

1.1 Establishment. St. Mary Land & Exploration Company, a Delaware corporation (the "Company"), hereby establishes a stock compensation plan for non-employee members of the Board of Directors of the Company (the "Board"), which plan shall be known as the ST. MARY LAND & EXPLORATION COMPANY NON-EMPLOYEE DIRECTOR STOCK COMPENSATION PLAN (the "Plan").

1.2 Purpose. The purpose of the Plan is to enhance stockholder value by attracting, retaining and further motivating non-employee Directors and to encourage and enable such Directors to acquire a proprietary interest in the Company by issuing shares of the Company's common stock, \$.01 par value per share (the "Stock"), to such Directors as compensation for serving as members of the Board and the committees thereof.

ARTICLE II
ELIGIBILITY AND PARTICIPATION

All members of the Board who are not employees of the Company or any subsidiary of the Company are eligible to participate in the Plan and be issued shares of Stock under the Plan.

ARTICLE III
ADMINISTRATION

The Board shall be responsible for administering the Plan. The Board is authorized to (i) interpret the Plan, (ii) prescribe and revise rules and regulations relating to the Plan, (iii) provide for conditions and assurances deemed necessary or advisable to protect the interests of the Company with respect to the Plan and (iv) make all other determinations necessary or advisable for the administration of the Plan. Determinations, interpretations or other actions made or taken by the Board with respect to the Plan and shares of Stock issued under the Plan shall be final, binding and conclusive for all purposes and upon all persons. No member of the Board shall be liable for any action or determination made in good faith with respect to the Plan or any shares of Stock issued under the Plan.

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ARTICLE IV
SHARES OF STOCK AVAILABLE UNDER THE PLAN

4.1 Total Number. The total number of shares of Stock hereby made available and reserved for issuance under the Plan is 30,000 shares, which number shall be subject to adjustment as provided in Section 4.2.

4.2 Adjustment in Capitalization. In the event of any change in the outstanding shares of Stock of the Company by reason of a stock dividend or split, recapitalization, reclassification, or other similar change or adjustment in capitalization, the total number of shares of Stock set forth in Section 4.1 shall be correspondingly adjusted by the Board.

ARTICLE V
ISSUANCE OF STOCK

5.1 Issuance of Stock. Subject to Section 4.1, shares of Stock may be issued to non-employee Directors in such amounts and at such times as determined by the Board as annual or other compensation to non-employee Directors for serving as members of the Board and the committees thereof. The Board shall have complete discretion in determining the terms and conditions and number of shares of Stock issued to non-employee Directors under the Plan. Notwithstanding the foregoing, the number of shares of Stock issued under the Plan to a non-employee Director shall, in the good faith judgment of the Board, (a) represent reasonable compensation for the services and responsibilities of such Director, (b) be generally consistent with the past practices of the Company with respect to compensation of the non-employee Directors, as adjusted to reflect changes in applicable circumstances. Shares of Stock issued under the Plan may be previously unissued shares of Stock or previously issued shares of Stock held by the Company as treasury shares.

5.2 Restricted Securities. The shares of Stock issued under the Plan

directors recommends a vote "FOR" all of the nominees. As of the date of the accompanying proxy statement no one has been nominated to serve as director other than the nominees by the board of directors.

Instructions: Mark only one box. To withhold authority to vote for any individual nominee, write that nominee's name in the following space:

The proposal by St. Mary to amend St. Mary's Stock Option Plans to increase the total number of shares of common stock which may be issued under the plans by 1,300,000 shares to a total of 5,600,000 shares. The St. Mary board of directors recommends a vote "FOR" this proposal.

- 01 Barbara M. Baumann
- 02 Larry W. Bickle
- 03 Ronald D. Boone
- 04 Thomas E. Congdon
- 05 William J. Gardiner
- 06 Mark A. Hellerstein
- 07 Arend J. Sandbulte
- 08 John M. Seidl

ITEM 3
APPROVAL OF A NON-EMPLOYEE 0 FOR
DIRECTOR STOCK COMPENSATION
PLAN 0 AGAINST

0 ABSTAIN

The proposal by St. Mary to approve a Non-Employee Director Stock Compensation Plan for the issuance of up to a total of 30,000 shares of St. Mary common stock to non-employee directors as part of their annual or other compensation over an anticipated period of up to five years. The St. Mary board of directors recommends a vote "FOR" this proposal.

This proxy when properly executed will be voted in the manner directed by the undersigned stockholder. If this proxy is properly executed but no voting direction is given, this proxy will be voted "For" all director nominees listed on this proxy, the amendment to the Stock Option Plans to increase the authorized shares and to approve the Non-Employee Director Stock Compensation Plan.

This proxy also confers discretionary authority to the proxies to vote on any other matters that may properly be presented at the meeting. As of the date of the accompanying proxy statement, St. Mary management did not know of any other matters to be presented at the meeting. If any other matters are properly presented at the meeting, this proxy will be voted in accordance with the recommendations of St. Mary management.

Please sign exactly as your name appears below. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by the president or other authorized officer. If a partnership or limited liability company, please sign in such name by an authorized person. Please complete, date and sign this proxy card and return it promptly in the accompanying envelope.

Dated: _____, 2003

Signature

Signature if held jointly

Your telephone or Internet vote authorizes the named proxies in the same manner as if you marked, signed and dated your proxy card and returned it in the envelope provided. The telephone and Internet voting procedures are designed to ensure that proxies are handled properly under Delaware law by authenticating votes cast by use of a PIN and allowing you to confirm that your instructions have been properly recorded.

TO VOTE USING THE TELEPHONE: Call toll free 1-800-816-8908 from a touch tone telephone. There is NO CHARGE for this call. Enter your 14 digit CONTROL NUMBER and 5 digit PIN NUMBER located at the bottom of this proxy and then listen for voting instructions.

INTERNET VOTING INSTRUCTIONS: Go to the following web site www.computershare.com/us/proxy - Enter your 14 digit CONTROL NUMBER and 5 digit PIN NUMBER located at the bottom of this proxy and then follow the voting instructions on the screen. If you vote by telephone or the internet, please DO NOT mail back this proxy card.

CONTROL NUMBER PIN NUMBER

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