

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

Form S-8

REGISTRATION STATEMENT  
 UNDER THE SECURITIES ACT OF 1933

St. Mary Land & Exploration Company  
 (Exact name of registrant as specified in its charter)

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

1776 Lincoln Street, Suite 700  
 Denver, Colorado 80203  
 (Address of Principal Executive Offices) (Zip Code)

St. Mary Land & Exploration Company  
 Stock Option Plan  
 and  
 St. Mary Land & Exploration Company  
 Incentive Stock Option Plan  
 (Full title of the plans)

Mark A. Hellerstein  
 Chairman of the Board of Directors, President and Chief Executive Officer  
 St. Mary Land & Exploration Company  
 1776 Lincoln Street, Suite 700  
 Denver, Colorado 80203  
 (Name and address of agent for service)

(303) 861-8140  
 (Telephone number, including area code, of agent for service)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common stock, \$.01 par value(1)	1,300,000 shares	\$27.07(2)	\$35,191,000	\$2,846.96(3)

- (1) Includes associated stock purchase rights under the registrant's shareholder rights plan adopted on July 15, 1999, as amended, that are deemed to be delivered with each share of common stock issued by the registrant and currently are not separately transferable apart from the common stock.
- (2) Solely for the purpose of computing the registration fee in accordance with Rule 457(h) under the Securities Act, the price shown is based upon the price of \$27.07 per share, which is the average of the high and low selling prices for the registrant's common stock as reported on the New York Stock Exchange on June 20, 2003.
- (3) Calculated under Section 6(b) of the Securities Act as .0000809 of \$35,191,000.

This registration statement relates to the previously filed registration statements discussed below and is being filed under General Instruction E. of Form S-8 in order to register additional shares of the same class as other securities for which registration statements filed on this form relating to the same employee benefit plans are effective.

On June 25, 1997, the registrant filed a registration statement on Form S-8 (File No. 333-30055) to register 754,614 shares of common stock, which included 700,000 shares of common stock issuable under the St. Mary Land & Exploration Company Stock Option Plan and the St. Mary Land & Exploration Company Incentive Stock Option Plan (the "Plans"). On April 21, 2000, the registrant filed a registration statement on Form S-8 (File No. 333-35352) to register an additional 950,000 shares of common stock issuable under the Plans. Under Rule 416, those registration statements are deemed to cover an additional 1,650,000 shares of common stock, or a total of 3,300,000 shares of common

stock, as a result of a two shares-for-one share forward stock split effected in the form of a stock dividend distributed in September 2000. On May 22, 2002, the registrant filed a registration statement on Form S-8 (File No. 333-88780) to register an additional 1,000,000 shares of common stock issuable under the Plans. The contents of the above registration statements are incorporated by reference into this registration statement. The registrant is now filing this separate registration statement to register an additional 1,300,000 shares of common stock which as a result of amendments to the Plans may be issued thereunder.

Item 8. Exhibits.

The following exhibits are furnished as part of this registration statement:

Exhibit No.	Description
5.1*	Opinion of Ballard Spahr Andrews & Ingersoll, LLP
23.1*	Consent of Deloitte & Touche LLP
23.2*	Information About Lack of Consent of Arthur Andersen LLP
23.3*	Consent of Ballard Spahr Andrews & Ingersoll, LLP (included in Exhibit 5.1)
23.4*	Consent of Ryder Scott Company, L.P.
24.1*	Power of Attorney (included in signature page hereof)
99.1*	St. Mary Land & Exploration Company Stock Option Plan, as amended on March 25, 1999, January 27, 2000, March 29, 2001, March 27, 2003 and May 22, 2003
99.2*	St. Mary Land & Exploration Company Incentive Stock Option Plan, as amended on March 25, 1999, January 27, 2000, March 29, 2001, March 27, 2003 and May 22, 2003

\* Filed herewith.

Signatures

The Registrant. Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver, State of Colorado, on June 24, 2003.

ST. MARY LAND & EXPLORATION COMPANY  
 By: /s/ MARK A. HELLERSTEIN  
 \_\_\_\_\_  
 Mark A. Hellerstein,  
 Chairman of the Board of Directors,  
 President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby authorizes, constitutes and appoints Mark A. Hellerstein his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her own name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments and other amendments thereto) to this Registration Statement on Form S-8 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing as he or she could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ MARK A. HELLERSTEIN	Chairman of the Board of Directors, President and Chief Executive	June 24, 2003

- ----- Officer  
Mark A. Hellerstein

/s/ RONALD D. BOONE Executive Vice President, Chief June 24, 2003  
- ----- Operating Officer and Director  
Ronald D. Boone

/s/ DAVID W. HONEYFIELD Vice President - Finance, Secretary June 24, 2003  
- ----- and Treasurer  
David W. Honeyfield

/s/ GARRY A. WILKENING Vice President - Administration and June 24, 2003  
- ----- Contoller  
Garry A. Wilkening

/s/ BARBARA M. BAUMANN Director June 19, 2003  
- -----  
Barbara M. Baumann

Director  
- -----  
Larry W. Bickle

/s/ THOMAS E. CONGDON Director June 19, 2003  
- -----  
Thomas E. Congdon

/s/ WILLIAM J. GARDINER Director June 18, 2003  
- -----  
William J. Gardiner

/s/ AREND J. SANDBULTE Director June 19, 2003  
- -----  
Arend J. Sandbulte

Director  
- -----  
John M. Seidl

EXHIBIT 5.1

[LETTERHEAD OF BALLARD SPAHR ANDREWS & INGERSOLL, LLP]

June 23, 2003

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

Re: Registration Statement on Form S-8 for Shares of Common Stock  
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Issuable Under Stock Option Plans  
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Ladies and Gentlemen:

We have acted as counsel to St. Mary Land & Exploration Company, a Delaware corporation ("St. Mary"), in connection with the filing of a Registration Statement on Form S-8 (the "Registration Statement") to register under the Securities Act of 1933, as amended, an additional 1,300,000 shares of St. Mary common stock, par value \$.01 per share (the "Shares"), issuable from time to time upon the exercise of options ("Options") granted under the St. Mary Land & Exploration Company Stock Option Plan, as amended, and the St. Mary Land & Exploration Company Incentive Stock Option Plan, as amended (collectively, the "Plans").

In that connection, we have examined, and relied upon the accuracy of factual matters contained therein, the Plans and originals and copies, certified or otherwise identified to our satisfaction, of such other agreements, documents, corporate records and instruments as we have deemed necessary for the

purposes of the opinion expressed below. In giving this opinion, we are assuming the authenticity of all instruments presented to us as originals, the conformity with the originals of all instruments presented to us as copies and the genuineness of all signatures.

Based upon the foregoing, we are of the opinion that the Shares, when issued upon exercise of the Options granted under the Plans and upon payment of the option exercise price in accordance with the terms of the Plans, will be legally issued, fully paid and nonassessable.

This opinion is limited to the matters expressly stated herein. No implied opinion may be inferred to extend this opinion beyond the matters expressly stated herein. We do not undertake to advise you of any changes in the opinion expressed herein resulting from changes in law, changes in facts or any other matters that might occur or be brought to our attention after the date hereof.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

/s/ BALLARD SPAHR ANDREWS & INGERSOLL, LLP

EXHIBIT 23.1

#### INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of St. Mary Land & Exploration Company on Form S-8 of our report dated February 19, 2003, appearing in the Annual Report on Form 10-K of St. Mary Land & Exploration Company for the year ended December 31, 2002.

/S/ DELOITTE & TOUCHE LLP  
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Deloitte & Touche LLP

Denver, Colorado 80202  
June 24, 2003

EXHIBIT 23.2

#### INFORMATION ABOUT LACK OF CONSENT OF ARTHUR ANDERSEN LLP

The audit report of Arthur Andersen LLP dated February 18, 2002 (the "Audit Report") with respect to the consolidated financial statements of St. Mary Land & Exploration Company ("St. Mary") as of December 31, 2001 and 2000 and for each of the three years in the period ended December 31, 2001 included in St. Mary's Annual Report on Form 10-K for the year ended December 31, 2002 filed with the Securities and Exchange Commission ("SEC") on March 13, 2003 (the "2002 Form 10-K") incorporated by reference in this registration statement is a copy of the Audit Report previously issued by Arthur Andersen LLP and included with Arthur Andersen LLP's consent in St. Mary's Annual Report on Form 10-K for the year ended December 31, 2001 filed with the SEC on March 19, 2002 (the "2001 Form 10-K") and St. Mary's Annual Report on Form 10-K/A for the year ended December 31, 2001 filed with the SEC on March 25, 2002 (the "2001 Form 10-K/A"). The Audit Report was not reissued by Arthur Andersen LLP for inclusion with the 2002 Form 10-K, but a copy of the Audit Report was included in the 2002 Form 10-K in reliance on Rule 2-02(e) of Regulation S-X promulgated by the SEC.

The 2002 Form 10-K is incorporated by reference in St. Mary's previously filed Registration Statements on Form S-8 (Registration Nos. 333-30055, 333-35352 and 333-88780) (collectively, the "Registration Statements") incorporated by reference in this registration statement. Although St. Mary obtained the consent of Arthur Andersen LLP to the incorporation by reference in the Registration Statements of the Audit Report included in the 2001 Form 10-K and 2001 Form 10-K/A, after reasonable efforts St. Mary has not been able to obtain the consent of Arthur Andersen LLP to the incorporation by reference in the Registration Statements or in this registration statement of

the Audit Report included in the 2002 Form 10-K. Therefore, in reliance on Rule 437a under the Securities Act of 1933 (the "Securities Act") St. Mary has not filed a consent of Arthur Andersen LLP with this registration statement. As a result, with respect to transactions in St. Mary securities pursuant to this registration statement, investors will not be able to recover against Arthur Andersen LLP under Section 11 of the Securities Act for any untrue statement of a material fact contained in the financial statements audited by Arthur Andersen LLP as indicated in the Audit Report and incorporated by reference in this registration statement from the 2002 Form 10-K, or any omission to state a material fact required to be stated therein. In addition, due to the significant decline in size of Arthur Andersen LLP and their termination of operations after having been found guilty in June 2002 of federal obstruction of justice charges arising from the U.S. government's investigation of Enron, investors are unlikely to be able to exercise any effective remedies against or collect judgments from Arthur Andersen LLP.

June 24, 2003

EXHIBIT 23.4

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS

The undersigned hereby consents to the incorporation by reference in the St. Mary Land & Exploration Company Registration Statement on Form S-8 (File No. 333-\_\_\_\_\_) of information contained in our reserve reports as of January 1, 2001, 2002 and 2003 setting forth estimates of revenues from St. Mary Land & Exploration Company's oil and gas reserves.

/s/ RYDER SCOTT COMPANY, L.P.

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Ryder Scott Company, L.P.

Denver, Colorado  
June 24, 2003

As Amended on May 22, 2003

ST. MARY LAND & EXPLORATION COMPANY

STOCK OPTION PLAN

ARTICLE I  
ESTABLISHMENT AND PURPOSE

1.1 Establishment. St. Mary Land & Exploration Company, a Delaware

corporation (the "Company"), hereby establishes a stock option plan for key employees, consultants and members of the Board of Directors of the Company or of a subsidiary of the Company, providing material services to the Company, which shall be known as the ST. MARY LAND & EXPLORATION COMPANY STOCK OPTION PLAN (the "Plan"). The Company shall enter into Option agreements with Optionees pursuant to the Plan.

1.2 Purpose. The purpose of the Plan is to enhance shareholder value

by attracting, retaining and motivating key employees, consultants and members of the Board of Directors of the Company and of a subsidiary of the Company by providing them with a means to acquire a proprietary interest in the Company's success.

ARTICLE II  
ELIGIBILITY AND PARTICIPATION

All current and former employees, consultants and members of the Board of Directors of the Company (the "Board"), and of any subsidiary of the Company, are eligible to participate in the Plan and receive Options under the Plan. Optionees under the Plan shall be selected by the Board, in its sole discretion, from among those current and former employees, consultants and members of the Board of the Company, and of any subsidiary of the Company, who, in the opinion of the Board, are or were in a position to contribute materially to the Company's continued growth and development and to its long-term success.

ARTICLE III  
ADMINISTRATION

Administration. The Board shall be responsible for administering the

Plan.

(a) The Board is authorized to interpret the Plan; to prescribe, amend, and rescind rules and regulations relating to the Plan; to provide for conditions and assurances deemed necessary or advisable to protect the interests of the Company with respect to the Plan; and to 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 Options granted under the Plan shall be final and binding and conclusive for all purposes and upon all persons.

(b) At the discretion of the Board the Plan may be administered by a Committee of two or more non-employee Directors appointed by the Board (the "Committee"). The members of the Committee may be Directors who are eligible to receive Options under the Plan, but Options may be granted to such persons only by action of the full Board and not by action of the Committee. The Committee shall have full power and authority, subject to the limitations of the Plan and any limitations imposed by the Board, to construe, interpret and administer the Plan and to make determinations which shall be final, conclusive and binding upon all persons, including any persons having any interests in any Options which may be granted under the Plan, and, by resolution or resolutions to provide for the creation and issuance of any Option, to fix the terms upon which and the time or times at or within which, and the price or prices at which any shares may be purchased from the Company upon the exercise of an Option. Such terms, time or times and price or prices shall, in every case, be set forth or incorporated by reference in the instrument or instruments evidencing an Option, and shall be consistent with the provisions of the Plan.

(c) Where a Committee has been created by the Board pursuant

to this Article III, references in the Plan to actions to be taken by the Board shall be deemed to refer to the Committee as well, except where limited by the Plan or by the Board.

(d) No member of the Board or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Option granted under it.

ARTICLE IV  
STOCK SUBJECT TO THE PLAN  
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4.1 Number. The total number of shares of common stock of the Company  
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(the "Stock") hereby made available and reserved for issuance under the Plan upon exercise of Options shall be 5,600,000 shares. Notwithstanding anything to the contrary contained in the foregoing, to the extent that options are issued under any Incentive Stock Option Plan adopted by the Company, the shares of common stock reserved for issuance pursuant to Options granted under this Plan shall be reduced. The aggregate number of shares of Stock available under the Plan shall be subject to adjustment as provided in Section 4.3.

4.2 Unused Stock. If an Option shall expire or terminate for any  
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reason without having been exercised in full, or if an "immaculate cashless exercise" (as described in Section 5.4) results in the issuance of a reduced number of shares in satisfaction of an option grant, the unpurchased shares of Stock subject thereto shall (unless the Plan shall have terminated) become available for other Options under the Plan.

4.3 Adjustment in Capitalization. In the event of any change in the  
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outstanding shares of Stock of the Company by reason of a stock dividend or split, recapitalization, reclassification, or other similar capital change, the aggregate number of shares of Stock set forth in Section 4.1 shall be appropriately adjusted by the Board, whose determination shall be conclusive. In any such case, the number and kind of shares of Stock that are subject to any Option and the Option price per share shall be proportionately and appropriately adjusted without any change in the aggregate Option price to be paid therefor upon exercise of the Option.

ARTICLE V  
TERMS OF STOCK OPTIONS  
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5.1 Grant of Options. Subject to Section 4.1, Options may be granted  
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to current and former employees, consultants and members of the Board of the Company and of any subsidiary of the Company at any time and from time to time as determined by the Board. The Board shall have complete discretion in determining the terms and conditions and number of Options granted to each Optionee. In making such determinations, the Board may take into account the nature of services rendered by such current and former employees, consultants and members of the Board, their present and potential contributions to the Company and such other factors as the Board in its discretion shall deem relevant.

5.2 Option Agreement; Terms and Conditions to Apply Unless Otherwise  
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Specified. As determined by the Board on the date of grant, each Option shall be  
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evidenced by an option agreement (the "Option Agreement") that specifies: the Option price; the duration of the Option; the number of shares of Stock to which the Option applies; such vesting or exercisability restrictions which the Board may impose; and any other terms or conditions which the Board may impose. All such terms and conditions shall be determined by the Board at the time of grant of the Option.

(a) If not otherwise specified by the Board, the following terms and conditions shall apply to Options granted under the Plan:

(i) Term. The duration of the Option shall be for  
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ten years from the date of grant.

(ii) Exercise of Option. Unless an Option is  
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terminated as provided hereunder, an Optionee may exercise an Option pursuant to a vesting and exercisability schedule as determined by the Board, which vesting and exercisability schedule shall provide that (A) an Option held by an Optionee

who retires from employment with the Company after having both reached the age of sixty and completed twelve years of service with the Company shall continue to vest in accordance with the vesting schedule set forth in the applicable Option Agreement notwithstanding the termination of the Optionee's employment with the Company, provided that prior to the exercise of the Option such Optionee does not after such retirement become employed on a full-time basis by a competitor of the Company prior to reaching age sixty-five, and (B) an Option held by a non-employee Director of the Company who retires from the Board after completing at least five years of service to the Company shall become fully vested.

(iii) Termination. Each Option granted pursuant to -----  
the Plan shall expire upon the earliest to occur of:

(A) The date set forth in such Option, not to exceed ten years from the date of grant;

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(B) The completion of the merger or sale of substantially all of the Stock or assets of the Company with or to another company in a transaction in which the Company is not the survivor, except for the merger of the Company into a wholly-owned subsidiary (and the Company shall not be considered the surviving corporation for purposes hereof if the Company is the survivor of a reverse triangular merger), provided that the Company shall have given the Optionee at least thirty days' prior written notice of its intent to enter into such merger or sale; or

(C) The termination of the employment of an Optionee for cause by the Company.

(iv) Acceleration. An Option shall become fully -----  
vested and exercisable irrespective of its other provisions (A) immediately prior to the completion of the merger or sale of substantially all of the stock or assets of the Company in a transaction in which the Company is not the survivor, except for the merger of the Company into a wholly-owned subsidiary (and the Company shall not be considered the surviving corporation for purposes hereof if the Company is the survivor of a reverse triangular merger); (B) upon termination of the Optionee's employment with the Company or a subsidiary thereof because of death, disability or normal retirement upon reaching the age of sixty-five; or (C) in the event that the Optionee is a non-employee member of the Company's Board of Directors, upon retirement from the Company's Board of Directors after reaching the age of seventy.

(v) Transferability. In addition to the Optionee, -----  
the Option may be exercised, to the extent exercisable by the Optionee, by the person or persons to whom the Optionee's rights under the Option pass by will or the laws of descent and distribution, by the spouse or the descendants of the Optionee or by trusts for such persons, to whom or which the Optionee may have transferred the Option, or by legal representative of any of the foregoing. Any such transfer shall be made only in compliance with the Securities Act of 1933, as amended, and the requirements therefor as set forth by the Company.

(b) The Board shall be free to specify terms and conditions other than and in addition to those set forth above, in its discretion.

(c) All Option Agreements shall incorporate the provisions of the Plan by reference.

5.3 Option Price. No Option granted pursuant to the Plan shall have an -----  
Option price that is less than the fair market value of Stock on the date the Option is granted, as determined by the Board. The Option exercise price shall be subject to adjustment as provided in Section 4.3 above.

5.4 Payment. Payment for all shares of Stock shall be made at the time -----  
that an Option, or any part thereof, is exercised, and no shares shall be issued



until full payment therefor has been made. Payment shall be made (i) in cash, or (ii) if acceptable to the Board, in Stock, by the surrender of Option rights

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granted prior to May 18, 2000, hereunder valued at the difference between the Option exercise price plus income taxes to be withheld, if any, and the fair market value of the common stock (referred to as "immaculate cashless exercise"), or in some other form.

5.5 No Repricing Without Shareholder Approval. No outstanding Option  
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shall be repriced after the grant thereof to provide for a lower Option exercise price, whether through adjustment or amendment to the Option exercise price, issuance of an amended Option, cancellation of the Option and issuance of a replacement Option, or by any other means with substantially the same economic effect, without approval of the shareholders.

ARTICLE VI  
WRITTEN NOTICE, ISSUANCE OF STOCK  
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CERTIFICATES, SHAREHOLDER PRIVILEGES  
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6.1 Written Notice. An Optionee wishing to exercise an Option shall  
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give written notice to the Company, in the form and manner prescribed by the Board. Full payment for the shares of Stock acquired pursuant to the Option must accompany the written notice.

6.2 Issuance of Stock Certificates. As soon as practicable after the  
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receipt of written notice and payment, the Company shall deliver to the Optionee a certificate or certificates for the requisite number of shares of Stock.

6.3 Privileges of a Shareholder. An Optionee or any other person  
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entitled to exercise an Option under the Option Agreement shall not have shareholder privileges with respect to any Stock covered by the Option until the date of issuance of a stock certificate for such Stock.

ARTICLE VII  
RIGHTS OF OPTIONEES  
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Nothing in the Plan shall interfere with or limit in any way the right of the Company or a subsidiary corporation to terminate any employee's or consultant's employment at any time, nor confer upon any employee or consultant any right to continue in the employ of the Company or a subsidiary corporation.

ARTICLE VIII  
AMENDMENT, MODIFICATION, AND  
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TERMINATION OF THE PLAN  
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The Board may at any time terminate and from time to time may amend or modify the Plan. Any amendment or modification of the Plan by the Board may be accomplished without approval of the shareholders of the Company, except that shareholder approval shall be required in the event that (i) the amendment or modification would change the provisions of the Plan to permit the repricing of any outstanding Option after the grant thereof to provide for a lower Option exercise price without shareholder approval, or (ii) shareholder approval of such amendment or modification is required by any law or regulation governing the Company.

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No amendment, modification, or termination of the Plan shall in any manner adversely affect any outstanding Option under the Plan without the consent of the Optionee holding the Option.

ARTICLE IX  
ACQUISITION, MERGER OR LIQUIDATION  
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9.1 Acquisition.  
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(a) In the event that an acquisition occurs with respect to the Company, the Company shall have the option, but not the obligation,

to cancel Options outstanding as of the effective date of such acquisition, whether or not such Options are then exercisable, in return for payment to the Optionees of an amount equal to a reasonable estimate of an amount (hereinafter the "Spread"), determined by the Board, equal to the difference between the net amount per share payable in the acquisition or as a result of the acquisition, less the exercise price of the Option. In estimating the Spread, appropriate adjustments to give effect to the existence of the Options shall be made, such as deeming the Options to have been exercised, with the Company receiving the exercise price payable thereunder, and treating the Stock receivable upon exercise of the Options as being outstanding in determining the net amount per share.

(b) For purposes of this section, an "acquisition" shall mean any transaction in which substantially all of the Company's assets are acquired or in which a controlling amount of the Company's outstanding shares are acquired, in each case by a single person or entity or an affiliated group of persons and entities. For purposes of this section, a controlling amount shall mean more than fifty percent of the issued and outstanding shares of Stock of the Company. The Company shall have the above option to cancel Options regardless of how the acquisition is effectuated, whether by direct purchase, through a merger or similar corporate transaction, or otherwise. In cases where the acquisition consists of the acquisition of assets of the Company, the net amount per share shall be calculated on the basis of the net amount receivable with respect to shares upon a distribution and liquidation by the Company after giving effect to expenses and charges, including but not limited to taxes, payable by the Company before the liquidation can be completed.

(c) Where the Company does not exercise its option under this Section 9.1 the remaining provisions of this Article IX shall apply, to the extent applicable.

9.2 Merger or Consolidation. If the Company shall be the surviving  
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corporation in any merger or consolidation, any Option granted hereunder shall pertain to and apply to the securities to which a holder of the number of shares of Stock subject to the Option would have been entitled in such merger or consolidation, provided that the Company shall not be considered the surviving corporation for purposes hereof if the Company is the survivor of a reverse triangular merger.

9.3 Other Transactions. A dissolution or a liquidation of the Company  
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or a merger and consolidation in which the Company is not the surviving corporation (the Company shall not be considered the surviving corporation for purposes hereof if the Company is the survivor of a reverse triangular merger) shall cause every Option outstanding hereunder to terminate as of the effective

date of such dissolution, liquidation, merger or consolidation. However, the Optionee either (i) shall be offered a firm commitment whereby the resulting or surviving corporation in a merger or consolidation will tender to the Optionee an option (the "Substitute Option") to purchase its shares on terms and conditions both as to number of shares and otherwise, which will substantially preserve to the Optionee the rights and benefits of the Option outstanding hereunder granted by the Company, or (ii) shall have the right immediately prior to such dissolution, liquidation, merger, or consolidation to exercise any unexercised Options whether or not then vested, subject to the other provisions of the Plan. The Board shall have absolute and uncontrolled discretion to determine whether the Optionee has been offered a firm commitment and whether the tendered Substitute Option will substantially preserve to the Optionee the rights and benefits of the Option outstanding hereunder.

ARTICLE X  
SECURITIES REGISTRATION  
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10.1 Securities Registration. In the event that the Company shall deem  
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it necessary or desirable to register under the Securities Act of 1933, as amended, or any other applicable statute, any Options or any Stock with respect to which an Option may be or shall have been granted or exercised, or to qualify any such Options or Stock under the Securities Act of 1933, as amended, or any other statute, then the Optionee shall cooperate with the Company and take such action as is necessary to permit registration or qualification of such Options or Stock.

10.2 Representations. Unless the Company has determined that the  
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following representation is unnecessary, each person exercising an Option under

the Plan may be required by the Company, as a condition to the issuance of the shares of Stock pursuant to exercise of the Option, to make a representation in writing (i) that he is acquiring such shares for his own account for investment and not with a view to, or for sale in connection with, the distribution of any part thereof within the meaning of the Securities Act of 1933, and (ii) that before any transfer in connection with the resale of such shares, he will obtain the written opinion of counsel for the Company, or other counsel acceptable to the Company, that such shares may be transferred without registration thereof. The Company may also require that the certificates representing such shares contain legends reflecting the foregoing. To the extent permitted by law, including the Securities Act of 1933, nothing herein shall restrict the right of a person exercising an Option to sell the shares received in an open market transaction.

ARTICLE XI  
TAX WITHHOLDING  
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Whenever shares of Stock are to be issued in satisfaction of Options exercised under the Plan, the Company shall have the power to require the recipient of the Stock to remit to the Company an amount sufficient to satisfy federal, state, and local withholding tax requirements, if any.

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ARTICLE XII  
INDEMNIFICATION  
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To the extent permitted by law, each person who is or shall have been a member of the Board or the Committee shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit, or proceeding to which he may be a party or in which he may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him in settlement thereof, with the Company's approval, or paid by him in satisfaction of judgment in any such action, suit, or proceeding against him, provided he shall give the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's certificate of incorporation or bylaws, as a matter of law, or otherwise, or any power that the Company or a Subsidiary Corporation may have to indemnify them or hold them harmless.

ARTICLE XIII  
REQUIREMENTS OF LAW  
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13.1 Requirements of Law. The granting of Options and the issuance of shares of Stock upon the exercise of an Option shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

13.2 Governing Law. The Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of Colorado.

ARTICLE XIV  
EFFECTIVE DATE OF PLAN  
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The Plan shall be effective on November 21, 1996.

ARTICLE XV  
NO OBLIGATION TO EXERCISE OPTION  
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The granting of an Option shall impose no obligation upon the holder thereof to exercise such Option.

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THIS STOCK OPTION PLAN was adopted by the Board of Directors of St. Mary Land & Exploration Company on November 21, 1996, to be effective upon adoption, and was amended by the Board of Directors on January 31, 1997, on March 25, 1999 to increase the number of shares available for issuance under Article IV to 1,650,000 shares (prior to the two-for-one stock split of the Company's shares effected in the form of a stock dividend distributed on

September 5, 2000), on January 27, 2000, on May 18, 2000, on March 29, 2001 to increase the number of shares available for issuance by 1,000,000 shares, on March 27, 2003 to increase the number of shares available for issuance by 1,300,000 shares, and on May 22, 2003.

ST. MARY LAND & EXPLORATION COMPANY

By: /s/ DAVID W. HONEYFIELD  
David W. Honeyfield  
Title: Vice President-Finance, Secretary and Treasurer

As Amended on May 22, 2003

ST. MARY LAND & EXPLORATION COMPANY

INCENTIVE STOCK OPTION PLAN

ARTICLE I  
ESTABLISHMENT AND PURPOSE

1.1 Establishment. St. Mary Land & Exploration Company, a Delaware

corporation (the "Company"), hereby establishes a stock option plan for key employees providing material services to the Company or any subsidiary of the Company as described herein, which shall be known as the "ST. MARY LAND & EXPLORATION COMPANY INCENTIVE STOCK OPTION PLAN" (the "Plan"). It is intended that the options issued to employees pursuant to the Plan constitute incentive stock options within the meaning of Section 422 of the Internal Revenue Code. The Company shall enter into stock option agreements with recipients of options pursuant to the Plan.

1.2 Purpose. The purpose of the Plan is to enhance shareholder value

by attracting, retaining and motivating key employees of the Company and of any subsidiary of the Company by providing them with a means to acquire a proprietary interest in the Company's success.

ARTICLE II  
DEFINITIONS

2.1 Definitions. Whenever used herein, the following terms shall have

the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, the term shall be capitalized.

(a) "Board" means the Board of Directors of the Company.

(b) "Code" means the Internal Revenue Code of 1986, as amended.

(c) "Committee" shall mean the Committee provided for by Article IV hereof, which may be created at the discretion of the Board.

(d) "Company" means St. Mary Land & Exploration Company, a Delaware corporation.

(e) "Date of Exercise" means the date the Company receives notice, by an Optionee, of the exercise of an Option pursuant to Section 8.1 of the Plan. Such notice shall indicate the number of shares of Stock the Optionee intends to acquire pursuant to exercise of the Option.

(f) "Employee" means any person, including an officer or director of the Company or a Subsidiary Corporation, who is employed by the Company or a Subsidiary Corporation.

(g) "Fair Market Value" means the fair market value of Stock upon which an option is granted under the Plan, determined as follows:

(i) If the Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange, the Fair Market Value shall be the last reported sale price of the Stock on the composite tape of such exchange on the date of issuance of this option, or if such day is not a normal trading day, the last trading day prior to the date of issuance of this option, and if no such sale is made on such day, the Fair Market Value shall be the average closing bid and asked prices for such day on the composite tape of such exchange; or

(ii) If the Stock is not so listed or admitted to unlisted trading privileges, the Fair Market Value shall be the mean of the last reported bid and asked prices reported by

the National Association of Securities Dealers Quotation System (or, if not so quoted on NASDAQ, by the National Quotation Bureau, Inc.) on the last trading day prior to the date of issuance of the option.

(h) "Incentive Stock Option" means an Option granted under the -----  
Plan which is intended to qualify as an "incentive stock option" within the meaning of Section 422 of the Code.

(i) "Option" means the right, granted under the Plan, to -----  
purchase Stock of the Company at the option price for a specified period of time.

(j) "Optionee" means an Employee holding an Option under the -----  
Plan.

(k) "Parent Corporation" shall have the meaning set forth in -----  
Section 424(e) of the Code with the Company being treated as the employer corporation for purposes of this definition.

(l) "Subsidiary Corporation" shall have the meaning set forth -----  
in Section 424(f) of the Code with the Company being treated as the employer corporation for purposes of this definition.

(m) "Significant Shareholder" means an individual who, within -----  
the meaning of Section 422(b)(6) of the Code, owns stock possessing more than ten percent of the total combined voting power of all classes of stock of the Company or of any Parent Corporation or Subsidiary Corporation of the Company. In determining whether an individual is a Significant Shareholder, an individual shall be treated as owning stock owned by certain relatives of the individual and certain stock owned by corporations in which the individual is a shareholder, partnerships in which the individual is a partner, and estates or trusts of which the individual is a beneficiary, all as provided in Section 424(d) of the Code.

(n) "Stock" means the \$.01 par value common stock of the -----  
Company.

2.2 Gender and Number. Except when otherwise indicated by the context, -----  
any masculine terminology when used in the Plan also shall include the feminine gender, and the definition of any term herein in the singular also shall include the plural.

ARTICLE III  
ELIGIBILITY AND PARTICIPATION  
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All Employees are eligible to participate in the Plan and receive Incentive Stock Options under the Plan. Optionees in the Plan shall be selected by the Board, in its sole discretion, from among those Employees who, in the opinion of the Board, are in a position to contribute materially to the Company's continued growth and development and to its long-term financial success.

ARTICLE IV  
ADMINISTRATION  
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The Board shall be responsible for administering the Plan.

(a) The Board is authorized to interpret the Plan; to prescribe, amend, and rescind rules and regulations relating to the Plan; to provide for conditions and assurances deemed necessary or advisable to protect the interests of the Company; and to 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 Options granted under the Plan shall be final and binding and conclusive for all purposes and upon all persons.

(b) At the discretion of the Board the Plan may be administered by a Committee of two or more non-employee Directors

appointed by the Board (the "Committee"). The Committee shall have full power and authority, subject to the limitations of the Plan and any limitations imposed by the Board, to construe, interpret and administer the Plan and to make determinations which shall be final, conclusive and binding upon all persons, including any persons having any interests in any Options which may be granted under the Plan, and, by resolution or resolutions to provide for the creation and issuance of any Option, to fix the terms upon which, the time or times at or within which, and the price or prices at which any shares of Stock may be

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purchased from the Company upon the exercise of an Option. Such terms, time or times and price or prices shall, in every case, be set forth or incorporated by reference in the instrument or instruments evidencing an Option, and shall be consistent with the provisions of the Plan.

(c) Where a Committee has been created by the Board pursuant to this Article IV, references in the Plan to actions to be taken by the Board shall be deemed to refer to the Committee as well, except where limited by the Plan or by the Board.

(d) No member of the Board or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Option granted under it.

ARTICLE V  
STOCK SUBJECT TO THE PLAN  
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5.1 Number. The total number of shares of Stock hereby made available  
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and reserved for issuance under the Plan upon exercise of Options shall be 5,600,000 shares. Notwithstanding anything to the contrary contained in the foregoing, to the extent that options are issued under any other current Stock Option Plan adopted by the Company, the shares of Stock reserved for issuance pursuant to Options granted under the Plan shall be reduced. The aggregate number of shares of Stock available under the Plan shall be subject to adjustment as provided in Section 5.3.

5.2 Unused Stock. If an Option shall expire or terminate for any  
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reason without having been exercised in full, the unpurchased shares of Stock subject thereto shall (unless the Plan shall have terminated) become available for other Options under the Plan.

5.3 Adjustment in Capitalization. In the event of any change in the  
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outstanding shares of Stock by reason of a stock dividend or split, recapitalization, reclassification, or other similar capital change, the aggregate number of shares of Stock set forth in Section 5.1 shall be appropriately adjusted by the Board, whose determination shall be conclusive. In any such case, the number and kind of shares of Stock that are subject to any Option and the Option price per share shall be proportionately and appropriately adjusted without any change in the aggregate Option price to be paid therefor upon exercise of the Option.

ARTICLE VI  
DURATION OF THE PLAN  
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Subject to approval of shareholders, the Plan shall be in effect for ten years from the date of its adoption by the Board. Any Options outstanding at the end of such period shall remain in effect in accordance with their terms. The Plan shall terminate before the end of such period if all Stock subject to it has been purchased pursuant to the exercise of Options granted under the Plan.

ARTICLE VII  
TERMS OF STOCK OPTIONS  
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7.1 Grant of Options. Subject to Section 5.1, Options may be granted  
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to Employees at any time and from time to time as determined by the Board. The Board shall have complete discretion in determining the terms and conditions and number of Options granted to each Optionee. In making such determinations, the Board may take into account the nature of services rendered by such Employees, their present and potential contributions to the Company and its Subsidiary Corporations, and such other factors as the Board in its discretion shall deem relevant. The Board is expressly given the authority to issue amended or replacement Options with respect to shares of Stock subject to an Option previously granted hereunder, subject to the provisions of Section 7.7 which

prohibit the repricing of any outstanding Option after the grant thereof to provide for a lower Option exercise price without shareholder approval. An amended Option amends the terms of an Option previously granted and thereby supersedes the previous Option. A replacement Option is similar to a new Option granted hereunder except that it provides that it shall be forfeited to the extent that a previously granted Option is exercised, or except that its issuance is conditioned upon the termination of a previously granted Option.

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7.2 No Tandem Options. Where an Option granted under the Plan is

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intended to be an Incentive Stock Option, the Option shall not contain terms pursuant to which the exercise of the Option would affect the Optionee's right to exercise another Option, or vice versa, such that the Option intended to be an Incentive Stock Option would be deemed a tandem stock option within the meaning of the regulations under Section 422 of the Code.

7.3 Option Agreement; Terms and Conditions to Apply Unless Otherwise

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Specified. As determined by the Board on the date of grant, each Option shall be

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evidenced by an Option agreement (the "Option Agreement") that includes the non-transferability provisions required by Section 10.2 hereof and that specifies: the Option price; the duration of the Option; the number of shares of Stock to which the Option applies; such vesting or exercisability restrictions which the Board may impose and any other terms or conditions which the Board may impose. All such terms and conditions shall be determined by the Board at the time of grant of the Option.

(a) If not otherwise specified by the Board, the following terms and conditions shall apply to Options granted under the Plan:

(i) Term. The duration of the Option shall be for  
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ten years from the date of grant.

(ii) Exercise of Option. Unless an Option is  
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terminated as provided hereunder, an Optionee may exercise an Option pursuant to a vesting and exercisability schedule as determined by the Board, which vesting and exercisability schedule shall provide that an Option held by an Optionee who terminates his employment with the Company for reasons other than death, permanent and total disability, or termination of employment by the Company for cause shall upon such termination become exercisable to the extent vested immediately prior to such termination.

(iii) Termination. Each Option granted pursuant to  
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the Plan shall expire upon the earliest to occur of:

(A) The date set forth in such Option, not to exceed ten years from the date of grant (five years in the case of a Significant Shareholder);

(B) The completion of the merger or sale of substantially all of the Stock or assets of the Company with or to another company in a transaction in which the Company is not the survivor, except for the merger of the Company into a wholly-owned subsidiary and, provided that the Company shall have given the Optionee at least thirty days' prior written notice of its intent to enter into such merger or sale (and the Company shall not be considered the surviving corporation for purposes hereof if the Company is the survivor of a reverse triangular merger);

(C) Ninety days following the termination of the employment of an Optionee, except for termination for cause by the Company or termination because of the Optionee's death or disability (in which event of termination of employment due to the Optionee's death or disability, the Option shall expire one year following the termination of employment of an Optionee); or

(D) Immediately upon the termination of the employment of an Optionee by the Company for cause.

(iv) Acceleration. An Option shall become fully



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vested and exercisable irrespective of its other provisions  
(A) immediately prior to the completion of the merger or sale  
of substantially all of the stock or assets of Company in a  
transaction in which the Company is not the survivor, except  
for the merger of the Company into a wholly-owned subsidiary  
(and the Company shall not be considered the surviving  
corporation for purposes hereof if the Company is the survivor  
of a reverse triangular merger); or (B) upon termination of  
the Optionee's employment with the Company or a Subsidiary  
Corporation because of death, disability or normal retirement  
upon reaching the age of sixty-five.

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(v) Nontransferability. All Options granted under  
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the Plan shall be nontransferable by the Optionee, other than  
by will or the laws of descent and distribution, and shall be  
exercisable during the Optionee's lifetime only by the  
Optionee.

(b) The Board shall be free to specify terms and conditions  
other than and in addition to those set forth above, in its discretion.

(c) All Option Agreements shall incorporate the provisions of  
the Plan by reference.

7.4 Option Price. No Option granted pursuant to the Plan shall have an  
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Option price that is less than the Fair Market Value of Stock on the date the  
Option is granted. Incentive Stock Options granted to Significant Shareholders  
shall have an Option price of not less than 110% of the Fair Market Value of  
Stock on the date of grant. The Option exercise price shall be subject to  
adjustment as provided in Section 5.3 above.

7.5 \$100,000 Per Year Limitation. To the extent that the aggregate  
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fair market value of Stock (determined as of the time the option with respect to  
such Stock is granted) with respect to which incentive stock options are  
exercisable for the first time by any Optionee during any calendar year (under  
this Plan and all other plans of the Company and any Parent Company or  
Subsidiary Corporation) exceeds \$100,000, such options shall be treated as  
options which are not incentive stock options. The foregoing provision shall be  
applied by taking options into account in the order in which they were granted.

7.6 Payment. Payment for all shares of Stock shall be made at the time  
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that an Option, or any part thereof, is exercised, and no shares shall be issued  
until full payment therefor has been made. Payment shall be made (i) in cash, or  
(ii) if acceptable to the Board, in Stock or in some other form; provided,  
however, in the case of an Incentive Stock Option, that such other form of  
payment does not prevent the Option from qualifying for treatment as an  
"incentive stock option" within the meaning of the Code.

7.7 No Repricing Without Shareholder Approval. No outstanding Option  
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shall be repriced after the grant thereof to provide for a lower Option exercise  
price, whether through adjustment or amendment to the Option exercise price,  
issuance of an amended Option, cancellation of the Option and issuance of a  
replacement Option, or by any other means with substantially the same economic  
effect, without approval of the shareholders.

ARTICLE VIII  
WRITTEN NOTICE, ISSUANCE OF STOCK  
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CERTIFICATES, SHAREHOLDER PRIVILEGES  
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8.1 Written Notice. An Optionee wishing to exercise an Option shall  
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give written notice to the Company, in the form and manner prescribed by the  
Board. Full payment for the shares of Stock to be acquired pursuant to the  
exercise of the Option must accompany the written notice.

8.2 Issuance of Stock Certificates. As soon as practicable after the  
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receipt of written notice and payment, the Company shall deliver to the Optionee  
a certificate or certificates for the requisite number of shares of Stock.

8.3 Privileges of a Shareholder. An Optionee or any other person  
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entitled to exercise an Option under the Option Agreement shall not have

shareholder privileges with respect to any Stock covered by the Option until the date of issuance of a stock certificate for such Stock.

ARTICLE IX  
TERMINATION OF EMPLOYMENT OR SERVICES  
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9.1 Death or Disability. Subject to any prior partial exercise of the -----  
Option, if an Optionee's employment terminates by reason of Optionee's death or permanent and total disability, the Option may be exercised up to one hundred percent of the shares originally subject to the Option at any time prior to the expiration date of the Option or within 12 months after the date of such death or disability, whichever period is the shorter, by the person or persons entitled to do so under the Optionee's will or, if the Optionee shall fail to make a testamentary disposition of an Option or shall die intestate, the Optionee's legal representative or representatives.

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9.2 Termination other than for Cause or Due to Death. In the event of -----  
an Optionee's termination of employment other than by reason of death or permanent and total disability, the Optionee may exercise such portion of his Option as was vested and exercisable by him at the date of such termination (the "Termination Date") at any time within ninety days of the Termination Date. In any event, the Option cannot be exercised after the expiration of the term of the Option. Options not exercised within the applicable period specified above shall terminate.

(a) In the case of an Employee, a change of duties or position within the Company or an assignment of employment in a Subsidiary Corporation or Parent Corporation of the Company, if any, or from such a Corporation to the Company, shall not be considered a termination of employment for purposes of the Plan.

(b) The Option Agreements may contain such provisions as the Board shall approve with reference to the effect of approved leaves of absence upon termination of employment.

9.3 Termination for Cause. In the event of an Optionee's termination -----  
of employment, which termination is by the Company or a Subsidiary Corporation for cause, any Option or Options held by him under the Plan, to the extent not exercised before such termination, shall terminate upon notice of termination for cause.

ARTICLE X  
RIGHTS OF OPTIONEES  
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10.1 Service. Nothing in the Plan shall interfere with or limit in any -----  
way the right of the Company or a Subsidiary Corporation to terminate any Employee's employment at any time, nor confer upon any Employee any right to continue in the employ of the Company or a Subsidiary Corporation.

10.2 Non-transferability. All Options granted under the Plan shall be -----  
nontransferable by the Optionee, other than by will or the laws of descent and distribution, and shall be exercisable during the Optionee's lifetime only by the Optionee.

ARTICLE XI  
OPTIONEE-EMPLOYEE'S TRANSFER  
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OR LEAVE OF ABSENCE  
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For purposes of the Plan:

(a) A transfer of an Optionee who is an Employee from the Company to a Subsidiary Corporation or Parent Corporation, or from one such Corporation to another, or

(b) A leave of absence for such an Optionee (i) which is duly authorized in writing by the Company or a Subsidiary Corporation, and (ii) if the Optionee holds an Incentive Stock Option, which qualifies under the applicable regulations under the Code which apply in the case of incentive stock options, shall not be deemed a termination of employment. However, under no circumstances may an Optionee exercise an Option during any leave of absence, unless authorized by the Board.

ARTICLE XII  
AMENDMENT, MODIFICATION, AND

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TERMINATION OF THE PLAN  
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(a) The Board may at any time terminate and from time to time may amend or modify the Plan, provided, however, that no such action of the Board, without approval of the shareholders, may:

(i) increase the total amount of Stock which may be purchased through Options granted under the Plan, except as provided in Article V;

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(ii) change the class of Employees eligible to receive Options;

(iii) change the provisions of the Plan to permit the repricing of any outstanding Option after the grant thereof to provide for a lower Option exercise price without shareholder approval; or

(iv) otherwise amend or modify the Plan where approval of the shareholders is required by any law or regulation governing the Company.

(b) No amendment, modification, or termination of the Plan shall in any manner adversely affect any outstanding Option under the Plan without the consent of the Optionee holding the Option.

ARTICLE XIII  
ACQUISITION, MERGER OR LIQUIDATION  
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13.1 Acquisition.  
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(a) In the event that an acquisition occurs with respect to the Company, the Company shall have the option, but not the obligation, to cancel Options outstanding as of the effective date of such acquisition, whether or not such Options are then exercisable, in return for payment to the Optionees of an amount equal to a reasonable estimate of an amount (hereinafter the "Spread"), determined by the Board, equal to the difference between the net amount per share payable in the acquisition or as a result of the acquisition, less the exercise price of the Option. In estimating the Spread, appropriate adjustments to give effect to the existence of the Options shall be made, such as deeming the Options to have been exercised, with the Company receiving the exercise price payable thereunder, and treating the shares receivable upon exercise of the Options as being outstanding in determining the net amount per share.

(b) For purposes of this section, an "acquisition" shall mean any transaction in which substantially all of the Company's assets are acquired or in which a controlling amount of the Company's outstanding shares are acquired, in each case by a single person or entity or an affiliated group of persons and entities. For purposes of this section, a controlling amount shall mean more than 50% of the issued and outstanding shares of Stock of the Company. The Company shall have the above option to cancel Options regardless of how the acquisition is effectuated, whether by direct purchase, through a merger or similar corporate transaction, or otherwise. In cases where the acquisition consists of the acquisition of assets of the Company, the net amount per share shall be calculated on the basis of the net amount receivable with respect to shares upon a distribution and liquidation by the Company after giving effect to expenses and charges, including but not limited to taxes, payable by the Company before the liquidation can be completed.

(c) Where the Company does not exercise its option under this Section 13.1 the remaining provisions of this Article XIII shall apply, to the extent applicable.

13.2 Merger or Consolidation. If the Company shall be the surviving  
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corporation in any merger or consolidation, any Option granted hereunder shall pertain to and apply to the securities to which a holder of the number of shares of Stock subject to the Option would have been entitled in such merger or consolidation, provided that the Company shall not be considered the surviving corporation for purposes hereof if the Company is the survivor of a reverse triangular merger.

13.3 Other Transactions. A dissolution or a liquidation of the Company

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or a merger and consolidation in which the Company is not the surviving corporation (the Company shall not be considered the surviving corporation for purposes hereof if the Company is the survivor of a reverse triangular merger) shall cause every Option outstanding hereunder to terminate as of the effective date of such dissolution, liquidation, merger or consolidation. However, the Optionee either (i) shall be offered a firm commitment whereby the resulting or surviving corporation in a merger or consolidation will tender to the Optionee an option (the "Substitute Option") to purchase its shares on terms and conditions both as to number of shares and otherwise, which will substantially preserve to the Optionee the rights and benefits of the Option outstanding hereunder granted by the Company, or (ii) shall have the right immediately prior to such dissolution, liquidation, merger, or consolidation to exercise any unexercised Options whether or not then vested, subject to the provisions of the Plan. The Board shall have absolute and uncontrolled discretion to determine

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whether the Optionee has been offered a firm commitment and whether the tendered Substitute Option will substantially preserve to the Optionee the rights and benefits of the Option outstanding hereunder. In any event, any Substitute Option for an Incentive Stock Option shall comply with the requirements of Code Section 424(a).

ARTICLE XIV  
SECURITIES REGISTRATION  
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14.1 Securities Registration. In the event that the Company shall deem

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it necessary or desirable to register under the Securities Act of 1933, as amended, or any other applicable statute, any Options or any Stock with respect to which an Option may be or shall have been granted or exercised, or to qualify any such Options or Stock under the Securities Act of 1933, as amended, or any other statute, then the Optionee shall cooperate with the Company and take such action as is necessary to permit registration or qualification of such Options or Stock.

14.2 Representations. Unless the Company has determined that the

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following representation is unnecessary, each person exercising an Option under the Plan may be required by the Company, as a condition to the issuance of the shares pursuant to exercise of the Option, to make a representation in writing (i) that he is acquiring such shares for his own account for investment and not with a view to, or for sale in connection with, the distribution of any part thereof within the meaning of the Securities Act of 1933, (ii) that before any transfer in connection with the resale of such shares, he will obtain the written opinion of counsel for the Company, or other counsel acceptable to the Company, that such shares may be transferred without registration thereof. The Company may also require that the certificates representing such shares contain legends reflecting the foregoing. To the extent permitted by law, including the Securities Act of 1933, nothing herein shall restrict the right of a person exercising an Option to sell the shares received in an open market transaction.

ARTICLE XV  
TAX WITHHOLDING  
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Whenever shares of Stock are to be issued in satisfaction of Options exercised under the Plan, the Company shall have the power to require the recipient of the Stock to remit to the Company an amount sufficient to satisfy federal, state, and local withholding tax requirements, if any.

ARTICLE XVI  
INDEMNIFICATION  
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To the extent permitted by law, each person who is or shall have been a member of the Board or the Committee shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit, or proceeding to which he may be a party or in which he may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him in settlement thereof, with the Company's approval, or paid by him in satisfaction of judgment in any such action, suit, or proceeding against him, provided he shall give the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's certificate of incorporation or bylaws, as a matter of law, or otherwise, or any power that the

Company or any Subsidiary Corporation may have to indemnify them or hold them harmless.

ARTICLE XVII  
REQUIREMENTS OF LAW  
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17.1 Requirements of Law. The granting of Options and the issuance of shares of Stock upon the exercise of an Option shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

17.2 Governing Law. The Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of Colorado.

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ARTICLE XVIII  
EFFECTIVE DATE OF PLAN  
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The Plan shall be effective on March 27, 1997.

ARTICLE XIX  
COMPLIANCE WITH CODE  
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Incentive Stock Options granted hereunder are intended to qualify as "incentive stock options" under Code ss. 422. If any provision of the Plan is susceptible to more than one interpretation, such interpretation shall be given thereto as is consistent with Incentive Stock Options granted under the Plan being treated as incentive stock options under the Code.

ARTICLE XX  
NO OBLIGATION TO EXERCISE OPTION  
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The granting of an Option shall impose no obligation upon the holder thereof to exercise such Option.

ARTICLE XXI  
SHAREHOLDER APPROVAL  
-----

The Plan was approved by a vote of the majority of the shares of common stock of the Company on May 21, 1997.

THIS INCENTIVE STOCK OPTION PLAN was adopted by the Board of Directors of St. Mary Land & Exploration Company on March 27, 1997, to be effective upon adoption, and was amended by the Board of Directors on July 24, 1997, on March 25, 1999 to increase the number of shares available for issuance under Article V to 1,650,000 shares (prior to the two-for-one stock split of the Company's shares effected in the form of a stock dividend distributed on September 5, 2000), on January 27, 2000, on March 29, 2001 to increase the number of shares available for issuance under Article V by 1,000,000 shares, on March 27, 2003 to increase the number of shares available for issuance under Article V by 1,300,000 shares, and on May 22, 2003.

ST. MARY LAND & EXPLORATION COMPANY

By: /s/ DAVID W. HONEYFIELD  
David W. Honeyfield  
Title: Vice President-Finance, Secretary and Treasurer

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