

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

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported)  
December 11, 2007 (December 11, 2007)

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

Delaware  
(State or other jurisdiction  
of incorporation)

001-31539  
(Commission  
File Number)

41-0518430  
(I.R.S. Employer  
Identification No.)

1776 Lincoln Street, Suite 700, Denver, Colorado  
(Address of principal executive offices)

80203  
(Zip Code)

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

Not applicable  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01**                      **Entry into a Material Definitive Agreement.**

On December 11, 2007, St. Mary Land & Exploration Company (“St. Mary”) entered into an agreement with Abraxas Operating, LLC, a wholly-owned subsidiary of Abraxas Energy Partners, L.P., to sell its previously reported divestiture package of certain non-strategic oil and gas properties located primarily in the Rocky Mountain and Mid-Continent regions for \$140 million in cash. The agreement has an effective date of December 1, 2007, and is anticipated to close on January 31, 2008, subject to customary closing conditions. On December 11, 2007, St. Mary issued a press release announcing the agreement. A copy of the press release is filed as Exhibit 99.1 to this report.

This report contains forward looking statements within the meaning of securities laws. The word “anticipate” and similar expressions are intended to identify forward looking statements. Although St. Mary believes the expectations reflected in these statements are reasonable, it can give no assurance that they will prove to be correct. These statements involve known and unknown risks, including the pending nature of the reported divestiture of non-core oil and gas properties as well as the ability to complete the transaction, the uncertain nature of the expected benefits from the divestiture of oil and gas properties and other such matters discussed in the “Risk Factors” section of St. Mary’s 2006 Annual Report on Form 10-K/A and subsequent Quarterly Reports on Form 10-Q filed with the SEC. Although St. Mary may from time to time voluntarily update its prior forward looking statements, it disclaims any commitment to do so except as required by securities laws.

**Item 9.01**                      **Financial Statements and Exhibits.**

- (d) Exhibits.                      The following exhibit is filed as part of this report:
  - Exhibit 99.1                      Press release of St. Mary Land & Exploration Company dated December 11, 2007.

**SIGNATURES**

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

ST. MARY LAND & EXPLORATION COMPANY

Date: December 11,  
2007

By: /s/ DAVID W. HONEYFIELD

David W. Honeyfield  
Senior Vice President - Chief Financial Officer and Secretary



**For Information**

Brent A. Collins  
303-861-8140

**FOR IMMEDIATE RELEASE**

**ST. MARY ANNOUNCES AGREEMENT TO DIVEST  
NON-STRATEGIC ASSET PACKAGE FOR \$140 MILLION**

**DENVER, December 11, 2007**— St. Mary Land & Exploration Company (NYSE: SM) today announces that it has entered into an agreement with a wholly-owned subsidiary of Abraxas Energy Partners, L.P. to sell its previously announced divestiture package of certain non-strategic oil and gas properties for \$140 million in cash. The package was marketed by Albrecht & Associates, Inc.

Tony Best, President and CEO, commented, “We are pleased to announce this divestiture of non-strategic assets. The transaction helps rationalize our portfolio, while allowing us to focus our resources on projects with more growth potential. We are utilizing a tax-advantaged exchange structure which improves the economics of the transaction by allowing us to defer the gain on the sale of these properties. The proceeds from the sale will be used to pay down bank borrowings and will further strengthen our balance sheet.”

The properties being sold are located primarily in the Rocky Mountain and Mid-Continent regions. Current production from the properties is approximately 12.3 MMCFED, of which 46 percent is natural gas. The transaction has an effective date of December 1, 2007, and is anticipated to close on January 31, 2008, subject to customary closing conditions. The sale proceeds will be adjusted by closing adjustments for the period between the effective date and closing date.

**INFORMATION ABOUT FORWARD LOOKING STATEMENTS**

This release contains forward looking statements within the meaning of securities laws. The words “will,” “anticipate,” and similar expressions are intended to identify forward looking statements. Although St. Mary believes the expectations reflected in these statements are reasonable, it can give no assurance that they will prove to be correct. These statements involve known and unknown risks, including the pending nature of the announced divestiture of non-core oil and gas properties as well as the ability to complete the transaction, the uncertain nature of the expected benefits from the divestiture of oil and gas properties and other such matters discussed in the “Risk Factors” section of St. Mary’s 2006 Annual Report on Form 10-K/A and subsequent Quarterly Reports on Form 10-Q filed with the SEC. Although St. Mary may from time to time voluntarily update its prior forward looking statements, it disclaims any commitment to do so except as required by securities laws.

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