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)
August 3, 2009 (August 3, 2009)

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

| | | |
|---|---|---|
| Delaware | 001-31539 | 41-0518430 |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. Employer Identification No.) |

| | |
|---|---|
| 1776 Lincoln Street, Suite 700, Denver, Colorado | 80203 |
| (Address of principal executive offices) | (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 2.02 Results of Operations and Financial Condition.**

In accordance with General Instruction B.2. of Form 8-K, the following information, including Exhibits 99.1 and 99.2, shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall such information and Exhibits be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On August 3, 2009, St. Mary Land & Exploration Company (the "Company") issued a press release announcing its results of operations for the second quarter of 2009. A copy of the press release is furnished as Exhibit 99.1 to this report and incorporated by reference herein. As indicated in the press release, the Company has scheduled the second quarter 2009 earnings teleconference call for August 4, 2009, at 8:00 a.m. (Mountain Time). The teleconference call is publicly accessible, and the press release includes instructions as to when and how to access the teleconference and the location on the Company's web site where the teleconference information will be available.

The press release contains information about the Company's discretionary cash flow, which is a "non-GAAP financial measure" under SEC rules. The press release also presents information about the Company's net cash provided by operating activities, which is the most directly comparable GAAP financial measure, and contains a reconciliation of discretionary cash flow to net cash provided by operating activities for the periods presented, a presentation of other cash flow information under GAAP, and a statement indicating why management believes that the presentation of discretionary cash flow provides useful information to investors.

The press release contains information about the Company's adjusted net income, which is a "non-GAAP financial measure" under SEC rules. The press release also presents information about the Company's net income, which is the most directly comparable GAAP financial measure, and contains a reconciliation of net income to adjusted net income for the periods presented and a statement indicating why management believes that the presentation of adjusted net income provides useful information to investors.

Additionally, on August 3, 2009, the Company issued a separate press release updating its third quarter and full-year 2009 guidance and providing an update of its significant operations. A copy of the press release is furnished as Exhibit 99.2 to this report and incorporated by reference herein.

**Item 9.01 Financial Statements and Exhibits.**

| | | |
|---|---|---|
| (d) | Exhibits. | The following exhibits are furnished as part of this report: |
| | Exhibit 99.1 | Press release of St. Mary Land & Exploration Company dated August 3, 2009, entitled St. Mary Reports Results for Second Quarter of 2009 |
| | Exhibit 99.2 | Press release of St. Mary Land & Exploration Company dated August 3, 2009, entitled St. Mary Provides Operational Update; Updates Performance Guidance |

**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:August 3, 2009

By:/s/ MARK T. SOLOMON
Mark T. Solomon
Controller

**EXHIBIT 99.1**

**For Information**

Brent A. Collins
303-861-8140

**FOR IMMEDIATE RELEASE**

# ST. MARY REPORTS RESULTS FOR SECOND QUARTER OF 2009

- ***Quarterly production of 28.2 BCFE exceeds guidance of 26.5 – 28.0 BCFE***
- ***Reported expenses for lease operating, transportation, DD&A, and total general and administrative all below guidance***
- ***Adjusted net income of $15.2 million or $0.24 per diluted share***
- ***Non-cash charges and impairments result in a GAAP net loss of ($8.3 million), or ($0.13) per diluted share***

**DENVER, August 3, 2009 –** St. Mary Land & Exploration Company (NYSE: SM) today reports financial results from the second quarter of 2009.

## MANAGEMENT COMMENTARY

Tony Best, CEO and President, remarked, "St. Mary had a strong second quarter. We beat our production targets and performed well against our cost guidance. The Company successfully tested the Eagle Ford shale on its high working interest acreage in South Texas and continued to advance its other resource plays. We continue to execute well on the business plan that we set out at the beginning of the year."

## SECOND QUARTER 2009 RESULTS

St. Mary posted a net loss for the second quarter of 2009 of ($8.3 million), a loss of ($0.13) per diluted share. This compares to net income of $32.5 million, or $0.52 per diluted share, for the same period in 2008. Adjusted net income for the quarter, which adjusts for significant non-recurring or unusual non-cash items, was $15.2 million, or $0.24 per diluted share, versus $80.5 million, or $1.28 per diluted share, for the second quarter of 2008. A summary of the adjustments made to arrive at adjusted net income (loss) is presented in the table below.

| | For the Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2009 | | 2008* | |
| Weighted-average diluted share count (*in millions*) | | 62.4 | | 62.7 |
| | ***$ in millions*** | ***Per Diluted Share*** | ***$ in millions*** | ***Per Diluted Share*** |
| Reported net income (loss) | $ (8.3) | $ (0.13) | $ 32.5 | $ 0.52 |
| **After-tax adjustments, assuming effective tax rate for respective period** | | | | |
| Change in Net Profits Plan liability | $ 1.5 | $ 0.02 | $ 43.3 | $ 0.69 |
| Unrealized derivative (gain) loss | 7.0 | 0.11 | (0.8) | (0.01) |
| Gain on sale of proved properties | (0.8) | (0.01) | (1.9) | (0.03) |
| Loss related to hurricanes | 3.1 | 0.05 | - | - |
| Impairment of proved properties | 3.7 | 0.06 | 6.1 | 0.10 |
| Abandonment & impairment of unproved properties | 7.2 | 0.12 | 1.3 | 0.02 |
| Impairment of materials inventory | 1.7 | 0.03 | - | - |
| Adjusted net income (loss) | $ 15.2 | $ 0.24 | $ 80.5 | $ 1.28 |

*NOTE: Totals may not add due to rounding*

** On January 1, 2009, the Company adopted FASB Staff Position APB 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)." This accounting pronouncement requires that its provisions be adopted retrospectively. Accordingly, the consolidated financial statements for presented prior periods have been restated to conform with this new accounting standard.*

Discretionary cash flow decreased to $117.7 million for the second quarter of 2009 from$222.4 million in the same period last year. Net cash provided by operating activities decreased to $116.6 million for the second quarter of 2009 from $173.8 million in the same period in 2008. A major driver of the decrease year over year in each of these metrics was the significant decrease in oil and natural gas prices between those periods which is described in more detail below.

Adjusted net income and discretionary cash flow are non-GAAP financial measures – please refer to the respective reconciliation in the accompanying Financial Highlights section at the end of this release.

St. Mary reported quarterly production of 28.2 BCFE for the second quarter of 2009, which was above the guidance range of 26.5 to 28.0 BCFE. The primary driver for this outperformance was better than projected results from the Company's drilling program. Production for the same period last year was 28.6 BCFE, which included 1.3 BCFE of production from assets that were later disposed of in 2008. Sequentially, production in the second quarter of 2009 was essentially flat with the preceding quarter.

Revenues for the quarter were $205.2 million compared to $356.9 million for the same period in 2008. In the second quarter of 2009, the Company's average equivalent price per MCFE, net of hedging, was $6.68 per MCFE, which is a decrease of 42% from the $11.61 per MCFE realized in the comparable period in 2008. Average realized prices, excluding hedging activities, were $3.07 per Mcf of natural gas and $53.96 per barrel of oil during the quarter. These prices were 72% and 55% lower, respectively, than those in the second quarter of 2008. Average realized prices, inclusive of hedging activities, were $5.19 per Mcf of natural gas and $56.72 per barrel of oil in the second quarter of 2009, which is a decrease of 48% and 36%, respectively, from the same period a year ago.

Lease operating expense of $1.26 per MCFE in the second quarter of 2009 was below the Company's guidance of $1.49 to $1.54 per MCFE. This represents a 12% decrease from the $1.43 per MCFE in the comparable period last year. Sequentially, lease operating expense declined 13% or $0.19 per MCFE in the second quarter of 2009 from the first quarter. The Company is experiencing decreases in operating costs across most of its operating areas as a result of lower levels of activity in the industry as well as the broader economy.

Transportation expense of $0.16 per MCFE in the second quarter of 2009 was below guidance of $0.19 to $0.24 per MCFE. The reported per unit expense was a decrease from $0.20 per MCFE for the comparative period in 2008. Transportation expense was also down $0.03 per MCFE from the first quarter of 2009.

Significant commodity price decreases over the past year for both oil and natural gas resulted in year over year declines in production taxes, both on a per MCFE basis and in absolute dollars. Between the second quarters of 2009 and 2008, production taxes on a per MCFE basis decreased 65% from $0.95 to $0.33. Production taxes increased sequentially from $0.32 per MCFE in the first quarter to $0.33 per MCFE in the second quarter of 2009. The Company's results for the second quarter were within the guidance range of $0.28 to $0.33 per MCFE provided for the quarter.

Total general and administrative expense for the second quarter of 2009 was $0.64 per MCFE, representing a 17% decrease from the $0.77 per MCFE recognized in the comparable quarter a year ago. The guidance range for total G&A expense for the quarter was $0.71 to $0.78 per MCFE. The decrease year over year relates primarily to smaller payments to participants in the legacy Net Profits Plan, which was affected by lower commodity prices realized in the second quarter of 2009. Offsetting a portion of these decreases were increases between the periods in costs associated with higher headcount, such as salary and office space, related to personnel additions made throughout 2008.

Depletion and depreciation expense decreased to $2.49 per MCFE in the second quarter of 2009, which was well below the Company's guidance range of $2.90 to $3.10 per MCFE. DD&A in the comparable period of 2008 was $2.67 per MCFE.

Sequentially, DD&A decreased 23% from $3.23 per MCFE in the first quarter of 2009.  The decrease in DD&A in the second quarter is largely a function of the Company's decision to market for sale certain non-strategic natural gas properties.  These properties have a higher per unit DD&A than the Company's average DD&A per MCFE.  Accounting rules do not permit assets held for sale to be depleted, and as a result the entity-wide DD&A per MCFE rate went down.  Additionally, property impairments recognized in prior quarters have meaningfully lowered the cost basis of the Company's properties, which also puts downward pressure on DD&A.

St. Mary recognized $6.0 million before income taxes in non-cash impairments for proved properties in the second quarter of 2009.  The majority of the proved property impairments related to offshore Gulf platforms in which St. Mary is relinquishing its ownership interests.  The Company also recognized $11.6 million for unproved properties in the second quarter of 2009, compared to $2.1 million in the same period in 2008.  The largest portion of the unproved property impairments in the current year related to Floyd Shale acreage located in Mississippi.  The Company also recognized an impairment of materials inventory for $2.7 million related to the write-down of tubular goods purchased in 2008 to current market value.

Exploration expense of $19.5 million was recognized in the second quarter of 2009, compared to $17.4 million in the same period in 2008.  The increase year over year reflects higher levels of geological and geophysical spending.

In the second quarter of 2009, St. Mary recognized a pre-tax non-cash expense of $2.4 million as a result of the increase in the Net Profits Plan liability, compared to $68.1 million in the second quarter of 2008.  This periodic expense is a reflection of change in the liability during the respective periods.  This liability is a significant management estimate and is highly sensitive to a number of assumptions including future commodity prices, production rates, and operating costs.  The last pool created under this legacy compensation plan was in 2007.

**FINANCIAL POSITION AND LIQUIDITY**

As of June 30, 2009, St. Mary had total long-term debt of $537.7 million, comprised of $275.0 million drawn under its existing long-term credit facility and $262.7 million in 3.50% Senior Convertible Notes, net of debt discount.  The credit facility matures in July of 2012 and the Senior Convertible Notes cannot be put to the Company's until April of 2012.  The Company's debt-to-book capitalization ratio was 35% as of the end of the quarter.

As of July 28, 2009, St. Mary had $255.0 million drawn on the revolver and had $421.7 million in unused borrowing capacity.  The Company's next regularly scheduled borrowing base redetermination is scheduled for October of this year.

**EARNINGS CALL INFORMATION**

The Company has scheduled a teleconference to discuss the second quarter results on August 4, 2009 at 8:00 a.m. Mountain time (10:00 a.m. Eastern time). The call participation number is 888-811-1227. An audio replay of the call will be available approximately two hours after the call at 800-642-1687, conference number 16019326. International participants can dial 706-679-9922 to take part in the conference call and can access a replay of the call at 706-645-9291, conference number 16019326. Replays can be accessed through August 11, 2009.

In addition, the call will be webcast live and can be accessed at St. Mary's web site at www.stmaryland.com. An audio recording of the conference call will be available at that site through August 11, 2009.

**INFORMATION ABOUT FORWARD LOOKING STATEMENTS**

This release contains forward looking statements within the meaning of securities laws, including forecasts and projections. The words "will," "believe," "budget," "anticipate," "plan," "intend," "estimate," "forecast," and "expect" and similar expressions are intended to identify forward looking statements. These statements involve known and unknown risks, which may cause St. Mary's actual results to differ materially from results expressed or implied by the forward looking statements. These risks include such factors as the volatility and level of oil and natural gas prices, the uncertain nature of the expected benefits from the acquisition and divestiture of oil and gas properties, uncertainties inherent in projecting future rates of production from drilling activities and acquisitions, the ability of purchasers of production to pay for those sales, the availability of debt and equity financing, the ability of the banks in the Company's credit facility to fund requested borrowings, the ability of hedge counterparties to settle hedges in favor of the Company, the imprecise nature of estimating oil and gas reserves, the availability of additional economically attractive exploration, development, and property acquisition opportunities for future growth and any necessary financings, unexpected drilling conditions and results, unsuccessful exploration and development drilling, drilling and operating service availability, the risks associated with the Company's hedging strategy, and other such matters discussed in the "Risk Factors" section of St. Mary's 2008 Annual Report on Form 10-K and subsequent quarterly reports filed on Form 10-Q. 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.

# ST. MARY LAND & EXPLORATION COMPANY
## FINANCIAL HIGHLIGHTS
## June 30, 2009

| **Production Data** | **For the Three Months Ended June 30,** | | | **For the Six Months Ended June 30,** | | |
|---|---|---|---|---|---|---|
| | **2009** | **2008** | Percent Change | **2009** | **2008** | Percent Change |
| **Average realized sales price, before hedging:** | | | | | | |
| Oil (per Bbl) | $ 53.96 | $ 120.20 | -55% | $ 44.21 | $ 106.17 | -58% |
| Gas (per Mcf) | 3.07 | 10.83 | -72% | 3.54 | 9.69 | -63% |
| **Average realized sales price, net of hedging:** | | | | | | |
| Oil (per Bbl) | $ 56.72 | $ 88.40 | -36% | $ 50.45 | $ 82.28 | -39% |
| Gas (per Mcf) | 5.19 | 9.97 | -48% | 5.66 | 9.33 | -39% |
| **Production:** | | | | | | |
| Oil (MMBbls) | 1.6 | 1.6 | 0% | 3.3 | 3.3 | -1% |
| Gas (Bcf) | 18.3 | 18.7 | -2% | 36.8 | 37.0 | 0% |
| BCFE (6:1) | 28.2 | 28.6 | -1% | 56.6 | 56.9 | -1% |
| **Daily production:** | | | | | | |
| Oil (MBbls per day) | 18.1 | 18.1 | 0% | 18.2 | 18.2 | 0% |
| Gas (MMcf per day) | 201.4 | 205.3 | -2% | 203.6 | 203.4 | 0% |
| MMCFE per day (6:1) | 310.1 | 313.7 | -1% | 312.6 | 312.6 | 0% |
| **Margin analysis per MCFE:** | | | | | | |
| Average realized sales price, before hedging | $ 5.15 | $ 14.01 | -63% | $ 4.87 | $ 12.49 | -61% |
| Average realized sales price, net of hedging | $ 6.68 | $ 11.61 | -42% | $ 6.62 | $ 10.86 | -39% |
| Lease operating expense | 1.26 | 1.43 | -12% | 1.36 | 1.33 | 2% |
| Transportation | 0.16 | 0.20 | -20% | 0.18 | 0.17 | 6% |
| Production taxes | 0.33 | 0.95 | -65% | 0.33 | 0.84 | -61% |
| General and administrative | 0.64 | 0.77 | -17% | 0.61 | 0.76 | -20% |
| Operating margin | $ 4.29 | $ 8.26 | -48% | $ 4.14 | $ 7.76 | -47% |
| Depletion, depreciation, amortization, and | | | | | | |
| asset retirement obligation liability accretion | $ 2.49 | $ 2.67 | -7% | $ 2.87 | $ 2.58 | 11% |

## ST. MARY LAND & EXPLORATION COMPANY
## FINANCIAL HIGHLIGHTS
## June 30, 2009

**NOTE:** On January 1, 2009, the Company adopted Financial Accounting Standards Board Staff Position Accounting Principles Board 14-1, "Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement)" ("FSP APB 14-1"), which required retrospective application. As a result, prior period balances presented have been adjusted to
reflect the period-specific effects of applying FSP APB 14-1.

### Consolidated Statements of Operations

| (In thousands, except per share amounts) | For the Three Months Ended June 30, 2009 | For the Three Months Ended June 30, 2008 (As adjusted) | For the Six Months Ended June, 30, 2009 | For the Six Months Ended June, 30, 2008 (As adjusted) |
|---|---|---|---|---|
| Operating revenues and other income: | | | | |
| Oil and gas production revenue | $ 145,279 | $ 399,961 | $ 275,696 | $ 710,393 |
| Realized oil and gas hedge gain (loss) | 43,279 | (68,396) | 98,899 | (92,346) |
| Gain on sale of proved properties | 1,244 | 3,038 | 645 | 59,055 |
| Marketed gas system and other operating revenue | 15,396 | 22,339 | 29,178 | 41,942 |
| Total operating revenues and other income | 205,198 | 356,942 | 404,418 | 719,044 |
| | | | | |
| Operating expenses: | | | | |
| Oil and gas production expense | 49,465 | 73,625 | 105,294 | 133,101 |
| Depletion, depreciation, amortization, and asset retirement obligation liability accretion | 70,391 | 76,354 | 162,103 | 146,708 |
| Exploration | 19,490 | 17,401 | 33,088 | 31,709 |
| Impairment of proved properties | 6,043 | 9,566 | 153,092 | 9,566 |
| Abandonment and impairment of unproved properties | 11,631 | 2,056 | 15,533 | 3,064 |
| Impairment of materials inventory | 2,719 | - | 11,335 | - |
| General and administrative | 18,160 | 21,867 | 34,559 | 43,004 |
| Bad debt expense | - | 9,951 | - | 9,942 |
| Change in Net Profits Plan liability | 2,449 | 68,142 | (20,842) | 81,768 |
| Marketed gas system expense | 13,609 | 20,213 | 26,992 | 37,958 |
| Unrealized derivative (gain) loss | 11,288 | (1,186) | 13,134 | 5,231 |
| Other expense | 5,814 | 702 | 11,456 | 1,402 |
| Total operating expenses | 211,059 | 298,691 | 545,744 | 503,453 |
| | | | | |
| Income (loss) from operations | (5,861) | 58,251 | (141,326) | 215,591 |
| | | | | |
| Nonoperating income (expense): | | | | |
| Interest income | 105 | 59 | 127 | 156 |
| Interest expense | (7,663) | (7,243) | (13,759) | (13,836) |
| | | | | |
| Income (loss) before income taxes | (13,419) | 51,067 | (154,958) | 201,911 |
| Income tax benefit (expense) | 5,097 | (18,598) | 59,013 | (74,468) |
| | | | | |
| **Net income (loss)** | **$ (8,322)** | **$ 32,469** | **$ (95,945)** | **$ 127,443** |
| | | | | |
| Basic weighted-average common shares outstanding | 62,418 | 61,714 | 62,377 | 62,287 |
| | | | | |
| Diluted weighted-average common shares outstanding | 62,418 | 62,749 | 62,377 | 63,404 |
| | | | | |
| **Basic net income (loss) per common share** | **$ (0.13)** | **$ 0.53** | **$ (1.54)** | **$ 2.05** |
| | | | | |
| **Diluted net income (loss) per common share** | **$ (0.13)** | **$ 0.52** | **$ (1.54)** | **$ 2.01** |

**ST. MARY LAND & EXPLORATION COMPANY**
**FINANCIAL HIGHLIGHTS**
**June 30, 2009**

## Consolidated Balance Sheets

| (In thousands, except share amounts) | | June 30, 2009 | | December 31, 2008 (As adjusted) |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | $ | 10,389 | $ | 6,131 |
| Short-term investments | | - | | 1,002 |
| Accounts receivable, net of allowance for doubtful accounts of $16,941 in 2009 and $16,788 in 2008 | | 108,384 | | 157,690 |
| Refundable income taxes | | - | | 13,161 |
| Prepaid expenses and other | | 14,111 | | 22,161 |
| Accrued derivative asset | | 67,143 | | 111,649 |
| Total current assets | | 200,027 | | 311,794 |
| Property and equipment (successful efforts method), at cost: | | | | |
| Land | | 1,371 | | 1,350 |
| Proved oil and gas properties | | 2,916,495 | | 2,969,722 |
| Less - accumulated depletion, depreciation, and amortization | | (1,047,505) | | (947,207) |
| Unproved oil and gas properties, net of impairment allowance of $51,774 in 2009 and $42,945 in 2008 | | 156,011 | | 168,817 |
| Wells in progress | | 38,079 | | 90,910 |
| Materials inventory, at lower of cost or market | | 37,565 | | 40,455 |
| Oil and gas properties held for sale less accumulated depletion, depreciation, and amortization | | 48,410 | | 1,827 |
| Other property and equipment, net of accumulated depreciation of $15,652 in 2009 and $13,848 in 2008 | | 15,274 | | 13,458 |
| | | 2,165,700 | | 2,339,332 |
| Other noncurrent assets: | | | | |
| Accrued derivative asset | | 10,668 | | 21,541 |
| Restricted cash subject to Section 1031 Exchange | | - | | 14,398 |
| Other noncurrent assets | | 19,344 | | 10,182 |
| Total other noncurrent assets | | 30,012 | | 46,121 |
| **Total Assets** | **$** | **2,395,739** | **$** | **2,697,247** |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued expenses | $ | 207,342 | $ | 254,811 |
| Accrued derivative liability | | 23,583 | | 501 |
| Deferred income taxes | | 16,938 | | 41,289 |
| Total current liabilities | | 247,863 | | 296,601 |
| Noncurrent liabilities: | | | | |
| Long-term credit facility | | 275,000 | | 300,000 |
| Senior convertible notes, net of unamortized discount of $24,763 in 2009, and $28,787 in 2008 | | 262,737 | | 258,713 |
| Asset retirement obligation | | 85,882 | | 108,755 |
| Asset retirement obligation associated with oil and gas properties held for sale | | 9,336 | | 238 |
| Net Profits Plan liability | | 156,524 | | 177,366 |
| Deferred income taxes | | 280,144 | | 354,328 |
| Accrued derivative liability | | 54,198 | | 27,419 |
| Other noncurrent liabilities | | 12,627 | | 11,318 |
| Total noncurrent liabilities | | 1,136,448 | | 1,238,137 |
| Commitments and contingencies | | | | |
| Stockholders' equity: | | | | |
| Common stock, $0.01 par value: authorized - 200,000,000 shares; issued: 62,622,664 shares in 2009 and 62,465,572 shares in 2008; outstanding, net of treasury shares: 62,495,771 shares in 2009 and 62,288,585 shares in 2008 | | 626 | | 625 |
| Additional paid-in capital | | 145,972 | | 141,283 |
| Treasury stock, at cost: 126,893 shares in 2009 and 176,987 shares in 2008 | | (1,256) | | (1,892) |
| Retained earnings | | 858,135 | | 957,200 |
| Accumulated other comprehensive income | | 7,951 | | 65,293 |
| Total stockholders' equity | | 1,011,428 | | 1,162,509 |
| **Total Liabilities and Stockholders' Equity** | **$** | **2,395,739** | **$** | **2,697,247** |

# ST. MARY LAND & EXPLORATION COMPANY
## FINANCIAL HIGHLIGHTS
## June 30, 2009

**Consolidated Statements of Cash Flows**

| (In thousands) | For the Three Months Ended June 30, 2009 | For the Three Months Ended June 30, 2008 (As adjusted) | For the Six Months Ended June 30, 2009 | For the Six Months Ended June 30, 2008 (As adjusted) |
|---|---|---|---|---|
| Cash flows from operating activities: | | | | |
| Reconciliation of net income (loss) to net cash provided by operating activities: | | | | |
| Net income (loss) | $ (8,322) | $ 32,469 | $ (95,945) | $ 127,443 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | | | |
| Gain on sale of proved properties | (1,244) | (3,038) | (645) | (59,055) |
| Depletion, depreciation, amortization, and asset retirement obligation liability accretion | 70,391 | 76,354 | 162,103 | 146,708 |
| Exploratory dry hole expense | 4,573 | 5,916 | 4,667 | 6,606 |
| Impairment of proved properties | 6,043 | 9,566 | 153,092 | 9,566 |
| Abandonment and impairment of unproved properties | 11,631 | 2,056 | 15,533 | 3,064 |
| Impairment of materials inventory | 2,719 | - | 11,335 | - |
| Stock-based compensation expense* | 3,733 | 3,747 | 7,509 | 7,057 |
| Bad debt expense | - | 9,942 | - | 9,942 |
| Change in Net Profits Plan liability | 2,449 | 68,142 | (20,842) | 81,768 |
| Unrealized derivative (gain) loss | 11,288 | (1,186) | 13,134 | 5,231 |
| Loss related to hurricanes | 5,027 | - | 7,120 | - |
| Amortization of debt discount and deferred financing costs | 3,611 | 2,760 | 5,703 | 4,606 |
| Deferred income taxes | (7,758) | 5,273 | (63,148) | 54,762 |
| Other | 93 | (2,751) | (736) | 876 |
| Changes in current assets and liabilities: | | | | |
| Accounts receivable | 5,446 | (30,618) | 49,149 | (71,854) |
| Refundable income taxes | - | (9,854) | 13,161 | (8,921) |
| Prepaid expenses and other | (1,677) | (6,234) | (7,091) | (6,570) |
| Accounts payable and accrued expenses | 8,583 | 19,992 | (12,338) | 14,850 |
| Excess income tax benefit from the exercise of stock options | - | (8,705) | - | (9,565) |
| **Net cash provided by operating activities** | **116,586** | **173,831** | **241,761** | **316,514** |
| Cash flows from investing activities: | | | | |
| Proceeds from sale of oil and gas properties | 18 | 24,197 | 1,081 | 154,597 |
| Capital expenditures | (82,201) | (168,136) | (215,826) | (329,666) |
| Acquisition of oil and gas properties | 9 | (9,896) | (44) | (62,927) |
| Receipts from restricted cash | 10,050 | - | 14,398 | - |
| Deposits to restricted cash | - | (25,266) | - | (25,266) |
| Deposits to short-term investments | 1,002 | 173 | 1,002 | 173 |
| Other | - | 20 | - | (9,987) |
| **Net cash used in investing activities** | **(71,122)** | **(178,908)** | **(199,389)** | **(273,076)** |
| Cash flows from financing activities: | | | | |
| Proceeds from credit facility | 576,000 | 249,000 | 1,766,000 | 638,000 |
| Repayment of credit facility | (600,000) | (230,500) | (1,791,000) | (628,000) |
| Debt issuance costs related to credit facility | (11,060) | - | (11,060) | - |
| Excess income tax benefit from the exercise of stock options | - | 8,705 | - | 9,565 |
| Proceeds from sale of common stock | 894 | 10,356 | 1,066 | 10,684 |
| Repurchase of common stock | - | - | - | (77,202) |
| Dividends paid | (3,120) | (3,076) | (3,120) | (3,076) |
| **Net cash provided by (used in) financing activities** | **(37,286)** | **34,485** | **(38,114)** | **(50,029)** |
| Net change in cash and cash equivalents | 8,178 | 29,408 | 4,258 | (6,591) |
| Cash and cash equivalents at beginning of period | 2,211 | 7,511 | 6,131 | 43,510 |
| **Cash and cash equivalents at end of period** | **$ 10,389** | **$ 36,919** | **$ 10,389** | **$ 36,919** |

* Stock-based compensation expense is a component of exploration expense and general and administrative expense on the consolidated statements of operations. For the six months ended June 30, 2009, and 2008, approximately $2.9 million and $2.2 million, respectively of stock-based compensation expense was included in exploration expense. For the six months ended June 30, 2009, and 2008, approximately $4.6 million and $4.9 million, respectively of stock-based compensation expense was included in general and administrative expense. For the three months ended June, 30, 2009, and 2008, approximately $1.3 million and $1.1 million, respectively of stock-based compensation expense was included in exploration expense. For the three months ended June, 30, 2009 and 2008, approximately $2.4 million and $2.7 million, respectively of stock-based compensation expense was included in general and administrative expense.

## ST. MARY LAND & EXPLORATION COMPANY
## FINANCIAL HIGHLIGHTS
## June 30, 2009

### Adjusted Net Income (Loss)
(In thousands, except per share data)

| Reconciliation of Net Income (Loss) (GAAP) to Adjusted Net Income (Non-GAAP): | For the Three Months Ended June 30, 2009 | For the Three Months Ended June 30, 2008 (As adjusted) | For the Six Months Ended June 30, 2009 | For the Six Months Ended June 30, 2008 (As adjusted) |
|---|---|---|---|---|
| **Reported Net Income (Loss) (GAAP)** | $ (8,322) | $ 32,469 | $ (95,945) | $ 127,443 |
| **Adjustments:** | | | | |
| Change in Net Profits Plan liability | 2,449 | 68,142 | (20,842) | 81,768 |
| Unrealized derivative (gain) loss | 11,288 | (1,186) | 13,134 | 5,231 |
| Gain on sale of proved properties | (1,244) | (3,038) | (645) | (59,055) |
| Loss related to hurricanes (1) | 5,027 | - | 7,120 | - |
| Tax adjustment at effective rate for period | (6,655) | (23,278) | 470 | (10,306) |
| Adjusted Net Income (Loss), before impairment adjustments | 2,543 | 73,109 | (96,708) | 145,081 |
| **Non-cash impairments:** | | | | |
| Impairment of proved properties | 6,043 | 9,566 | 153,092 | 9,566 |
| Abandonment and impairment of unproved properties | 11,631 | 2,056 | 15,533 | 3,064 |
| Impairment of materials inventory | 2,719 | - | 11,335 | - |
| Tax adjustment for impairments at effective rate for period | (7,746) | (4,233) | (68,535) | (4,658) |
| **Adjusted Net Income, non-recurring items & non-cash impairments (Non-GAAP) (2)** | $ 15,190 | $ 80,498 | $ 14,717 | $ 153,053 |
| Adjusted Net Income Per Share (Non-GAAP) | | | | |
| Basic | $ 0.24 | $ 1.30 | $ 0.24 | $ 2.46 |
| Diluted | $ 0.24 | $ 1.28 | $ 0.24 | $ 2.41 |
| Average Number of Shares Outstanding | | | | |
| Basic | 62,418 | 61,714 | 62,377 | 62,287 |
| Diluted | 62,418 | 62,749 | 62,377 | 63,404 |

(1) The loss related to hurricanes is included within line item other expense on the consolidated statements of operations.

(2) Adjusted net income is calculated as net income (loss) adjusted for significant non-cash and non-recurring items. Non-cash charges and adjustments include change in the Net Profits Plan liability, unrealized derivative (gain) loss, impairment of proved properties, abandonment and impairment of unproved properties, and impairment of materials inventory. Non-recurring items include gain on sale of proved properties, and loss related to hurricanes. The non-GAAP measure of adjusted net income is presented because management believes it provides useful additional information to investors for analysis of St. Mary’s fundamental business on a recurring basis. In addition, management believes that adjusted net income is widely used by professional research analysts and others in the valuation, comparison, and investment recommendations of companies in the oil and gas exploration and production industry, and many investors use the published research of industry research analysts in making investment decisions. Adjusted net income should not be considered in isolation or as a substitute for net income, income from operations, cash provided by operating activities or other income, profitability, cash flow, or liquidity measures prepared under GAAP. Since adjusted net income excludes some, but not all, items that affect net income and may vary among companies, the adjusted net income amounts presented may not be comparable to similarly titled measures of other companies.

**ST. MARY LAND & EXPLORATION COMPANY**
**FINANCIAL HIGHLIGHTS**
**June 30, 2009**

## Discretionary Cash Flow

(In thousands)

| **Reconciliation of Net Cash Provided by Operating Activities (GAAP) to Discretionary Cash Flow (Non-GAAP):** | **For the Three Months Ended June 30,** | | **For the Six Months Ended June 30,** | |
|---|---|---|---|---|
| | **2009** | **2008** (As adjusted) | **2009** | **2008** (As adjusted) |
| Net cash provided by operating activities (GAAP) | $ 116,586 | $ 173,831 | $ 241,761 | $ 316,514 |
| Exploration | 19,490 | 17,401 | 33,088 | 31,709 |
| Less: Exploratory dry hole expense | (4,573) | (5,916) | (4,667) | (6,606) |
| Less: Stock-based compensation expense included in exploration | (1,309) | (1,073) | (2,864) | (2,142) |
| Other | (93) | 2,751 | 736 | (876) |
| Changes in current assets and liabilities | (12,352) | 35,419 | (42,881) | 82,060 |
| Discretionary cash flow (Non-GAAP) (3) | $ 117,749 | $ 222,413 | $ 225,173 | $ 420,659 |

(3) Discretionary cash flow is computed as net income (loss) adjusted for gain on sale of proved properties, loss related to hurricanes, depletion, depreciation, amortization, and asset retirement obligation liability accretion, exploration, impairment of proved properties, abandonment and impairment of unproved properties, unrealized derivative loss (gain), change in Net Profits Plan liability, stock-based compensation expense, amortization of debt discount, impairment of materials inventory, and deferred income taxes. The non-GAAP measure of discretionary cash flow is presented since management believes that it provides useful additional information to investors for analysis of St. Mary's ability to internally generate funds for exploration, development, and acquisitions. In addition, discretionary cash flow is widely used by professional research analysts and others in the valuation, comparison, and investment recommendations of companies in the oil and gas exploration and production industry, and many investors use the published research of industry research analysts in making investment decisions. Discretionary cash flow should not be considered in isolation or as a substitute for net income, income from operations, net cash provided by operating activities or other income, profitability, cash flow, or liquidity measures prepared under GAAP. Since discretionary cash flow excludes some, but not all items that affect net income and net cash provided by operating activities and may vary among companies, the discretionary cash flow amounts presented may not be comparable to similarly titled measures of other companies. See the consolidated statements of cash flows herein for more detailed cash flow information.

**Exhibit 99.2**

**<u>For Information</u>**
Brent A. Collins
303-861-8140

**FOR IMMEDIATE RELEASE**

## ST. MARY PROVIDES OPERATIONAL UPDATE; UPDATES PERFORMANCE GUIDANCE

- ***Full year production guidance range increased to 107.0 to 110.0 BCFE from 103.0 to 106.0 BCFE***
- ***The Company increases anticipated capital investment target; reiterates intention to invest at or near operating cash flow for exploration and development activities***
- ***Testing of resource plays ongoing with rigs drilling in the Eagle Ford and Marcellus shale plays***
- ***Recommencing drilling of oil projects based on improved oil pricing and reduction in drilling and completion costs***

**DENVER, August 3, 2009** – St. Mary Land & Exploration Company (NYSE: SM) today provides an update on the Company's operational activity, capital investment levels for 2009, and financial guidance.

**MANAGEMENT COMMENTARY**

Tony Best, CEO and President, remarked, "The first half of the year has been challenging for the E&P industry, yet St. Mary continues to gain momentum in its transformation to a resource play-focused Company. We are increasing our production guidance for the full year, which is being driven by our successful drilling program, and will be accomplishing it while investing within cash flow for the year. We are accelerating activity in the Eagle Ford shale in the wake of successful testing and have expanded development drilling of oil projects within our portfolio. We continue to be focused on remaining flexible through 2009 while growing our project inventory."

**OPERATIONS UPDATE**

The Company's intention entering 2009 was to defer development expenditures where possible until costs dropped to levels commensurate with a lower commodity price environment while focusing capital investment activity on testing its emerging plays. As a result, St. Mary has reduced operated rig count down to 6 drilling rigs currently compared to 15 operating at this time in 2008. Given the reduction that has occurred in drilling and service costs, increased oil prices, and higher than anticipated production, St. Mary's cash flow is now expected to be higher than originally projected. The Company's plan for the second half of 2009 is to direct this incremental cash flow toward development in oil and rich gas plays. Although increasing second half activity will not have a significant impact on the average 2009 production rate, it should improve the exit rate for 2009 as well as the average rate in 2010.

***Eagle Ford shale*** – St. Mary's plan for 2009 was to drill four horizontal wells to test its 100% working interest acreage and to participate in four earning wells on joint venture acreage. St. Mary has approximately 66,000 net acres in a joint venture with Anadarko Petroleum Corporation and roughly 159,000 net acres of high working interest acreage outside the joint venture, for a total of 225,000 net acres in the play.

As previously announced, St. Mary successfully tested the Eagle Ford shale in the Briscoe G-1H well drilled on 100% working interest acreage. St. Mary is currently completing the second well in this program, the Galvan Ranch 1H (SM 100% WI). This well was drilled to a measured depth of 14,300 feet with a 5,000 foot horizontal lateral and is being completed with a planned 17 stage completion. The Company is currently drilling its third well, the Briscoe AR 1-H (SM 100% WI). Results from the Company's testing program to date, including lower than anticipated drilling and completion costs and a production stream that includes higher value natural gas liquids and condensate, have encouraged the Company to expand the program beyond the four wells on 100% working interest acreage originally envisioned for 2009. St. Mary now plans to have one operated drilling rig running continuously for the rest of 2009 on its 100% working interest acreage with the expectation that six additional wells will be drilled by year-end.

On the joint venture acreage, three wells are currently completing or waiting on completion – the Shape Ranch 1-H, the La Bandera Ranch1H, and the Tovar 78 1H (all SM 25% WI).

***Development of Oil Assets*** –St. Mary currently has one operated rig running in the Sweetie Peck tight oil program targeting Wolfberry pay in the Permian Basin. A second operated drilling rig for the Permian Basin is expected to arrive in September of this year. In the Rockies region, the Company expects to add an operated drilling rig in September 2009. St. Mary plans to drill its first operated well targeting the Three Forks formation and will also drill several horizontal Bakken wells across our acreage position, including the Bear Den area where the Company has seen positive results in the last several months.

***Marcellus shale*** – St. Mary began drilling operations in its Marcellus shale play late in the second quarter of 2009. The Company is currently drilling in the lateral section of its first horizontal well, located in McKean County, Pennsylvania. The well is expected to be drilled to a measured depth of 9,600 feet with a 3,900 foot lateral. A ten stage completion is currently planned for this well. The well testing plan includes coring, logging and microseismic monitoring during the fracture completion. St. Mary plans to drill one additional well in McKean County this year to begin testing the over 40,000 net acres it holds in this play.

***Haynesville shale*** – St. Mary has chosen to defer activity on most of its operated Haynesville shale acreage other than on wells required to hold acreage. The Company's second well targeting the Haynesville shale, the USA BL #1 (SM 100% WI) in northern San Augustine County, Texas, is currently waiting on completion pending core and log analysis. The Company expects to complete this vertical well in the Haynesville shale in August 2009. St. Mary then plans to drill a third well, to be located in Shelby County, Texas, targeting the Haynesville shale by the end of the fourth quarter. The Company has also participated in several successful partner-operated Hayneville tests.

***Mid-Continent*** – St. Mary currently has two operated rigs running in the deep Springer play in central Oklahoma and one operated rig in the Woodford shale program in eastern Oklahoma. In the Woodford shale play, the Company's efforts are currently aimed at determining the optimal spacing for future development. The results from the Company's previously announced simul-frac pilot in Coal County, Oklahoma continue to be encouraging. The pilot consisted of drilling and completing four offset wells to an existing well, for a total of five horizontal wells in a single section. The offset wells had horizontal lateral lengths that averaged 5,400 feet and had an average of 4,800 feet of lateral within the Woodford shale. These wells had 10-day initial production averages ranging from 5.1 MMCFE/D to 3.2 MMCFE/D. St. Mary is currently drilling wells to conduct a second similar simul-frac pilot with five horizontal wells in a half-section.

***Granite Wash*** – Recent peer activity has focused interest in the Anadarko Basin of western Oklahoma, particularly as it relates to horizontal development of the Granite Wash formation. St. Mary has approximately 117,000 gross (31,000 net) acres that are believed to be prospective for this formation in Washita, Custer, Roger Mills, and Beckham Counties, Oklahoma, as well as Wheeler County Texas. All of this acreage is held by production. The Company is currently identifying specific prospects on Company acreage and will continue to monitor industry developments in the play.

**2009 CAPITAL INVESTMENT AND OPERATIONAL UPDATE**

| | Revised 2009 Exploration & Development Capital Outlook ($ in millions) |
|---|---|
| Eagle Ford, Haynesville & Marcellus | $ 106 |
| Development activity | |
| Wolfberry | 44 |
| Bakken/TFS | 27 |
| Woodford shale | 47 |
| Cotton Valley & James Lime | 15 |
| Other | 26 |
| Other exploration | 14 |
| Land & Seismic | 68 |
| Overhead & Facilities | 64 |
| TOTAL | $ 411 |

The focus of St. Mary's capital investment activities continues to be on the testing of emerging resource plays in the Eagle Ford, Haynesville, and Marcellus shales, the sum of which has increased as a result of the Company extending its Eagle Ford shale testing through the remainder of 2009. St. Mary has begun development drilling of oil projects within our portfolio as lower drilling and completion costs combined with higher oil prices have improved the economics of these projects. St. Mary reiterates its intention to invest at or near operating cash flow during 2009.

**PERFORMANCE GUIDANCE UPDATE**

The Company's guidance for the third quarter and the full year of 2009 is as follows:

| | 3rd Quarter | Full Year |
|---|---|---|
| Oil and gas production | 25.5 – 27.0 BCFE | 107.0 – 110.0 BCFE |
| Lease operating expense | $1.35 – $1.40/MCFE | $1.36 – $1.39/MCFE |
| Transportation expense | $0.15 – $0.20/MCFE | $0.16 – $0.18/MCFE |
| Production taxes | $0.38 – $0.43/MCFE | $0.36 – $0.39/MCFE |
| General and admin. – cash | $0.53 – $0.58/MCFE | $0.53 – $0.57/MCFE |
| General and admin. – non-cash | $0.11 – $0.13/MCFE | $0.09 – $0.11/MCFE |
| Depreciation, depletion, & amort. | $2.40 – $2.60/MCFE | $2.60 – $2.80/MCFE |
| Interest expense – non-cash | $3.2 million | |
| Estimated effective income tax rate | 38% | 38% |

Below is selected commentary on parts of the Company's performance guidance.

***Production*** – St. Mary continues to expect that production will decrease sequentially in the two remaining quarters of 2009 as a result of the Company's decreased level of development drilling during the year. Full year production guidance is being increased as a result of better than expected production performance from the Company's drilling program and increased capital investment.

The guidance above does not include any production volume impact from future acquisitions or divestitures.

***Hedging update –*** Below is an updated summary hedging schedule for the Company. All the prices in the table have been converted to an average NYMEX equivalent for ease of comparison using quality and transportation differentials as of June 30, 2009. No hedges have been added between the end of the second quarter of 2009 and the date of this release. All of the oil trades are settled against NYMEX. The gas contracts settle against regional delivery points that correspond with the Company's production areas, thereby reducing basis risk. Approximately 57% and 47%, respectively, of the Company's estimated oil and natural gas production are hedged for the remainder of 2009. For detailed schedules on the Company's hedging program, please refer to the Company's Form 10-Q for the quarter ended June 30, 2009, which is expected to be filed with the Securities and Exchange Commission on August 4, 2009.

**Oil Swaps - NYMEX Equivalent**

| | Bbls | | $/Bbl |
|---|---|---|---|
| **2009** | | | |
| **Q3** | 509,000 | $ | 71.96 |
| **Q4** | 459,000 | $ | 72.31 |
| **2010** | | | |
| **Q1** | 468,000 | $ | 69.92 |
| **Q2** | 426,000 | $ | 69.46 |
| **Q3** | 393,000 | $ | 68.77 |
| **Q4** | 309,000 | $ | 66.06 |
| **2011** | 1,164,000 | $ | 67.06 |
| **2012** | 183,000 | $ | 81.15 |

**Oil Collars - NYMEX Equivalent**

| | Bbls | | Floor $/Bbl | | Ceiling $/Bbl |
|---|---|---|---|---|---|
| **2009** | | | | | |
| **Q3** | 384,500 | $ | 50.00 | $ | 67.31 |
| **Q4** | 384,500 | $ | 50.00 | $ | 67.31 |
| **2010** | | | | | |
| **Q1** | 337,500 | $ | 50.00 | $ | 64.91 |
| **Q2** | 341,000 | $ | 50.00 | $ | 64.91 |
| **Q3** | 344,500 | $ | 50.00 | $ | 64.91 |
| **Q4** | 344,500 | $ | 50.00 | $ | 64.91 |
| **2011** | 1,236,000 | $ | 50.00 | $ | 63.70 |

**Natural Gas Swaps - NYMEX Equivalent**

| | MMBTU | | $/MMBTU |
|---|---|---|---|
| **2009** | | | |
| **Q3** | 4,770,000 | $ | 7.71 |
| **Q4** | 4,770,000 | $ | 7.87 |
| **2010** | | | |
| **Q1** | 4,740,000 | $ | 8.05 |
| **Q2** | 4,360,000 | $ | 6.96 |
| **Q3** | 3,990,000 | $ | 6.97 |
| **Q4** | 3,080,000 | $ | 7.16 |
| **2011** | 7,170,000 | $ | 6.88 |

**Natural Gas Collars - NYMEX Equivalent**

| | MMBTU | | Floor $/MMBTU | | Ceiling $/MMBTU |
|---|---|---|---|---|---|
| **2009** | | | | | |
| **Q3** | 2,285,000 | $ | 5.75 | $ | 9.75 |
| **Q4** | 2,285,000 | $ | 5.81 | $ | 9.81 |
| **2010** | | | | | |
| **Q1** | 1,950,000 | $ | 5.70 | $ | 7.99 |
| **Q2** | 1,955,000 | $ | 5.74 | $ | 8.03 |
| **Q3** | 1,960,000 | $ | 5.66 | $ | 7.95 |
| **Q4** | 1,960,000 | $ | 5.84 | $ | 8.13 |
| **2011** | 6,625,000 | $ | 5.80 | $ | 7.03 |

**Natural Gas Liquid* Swaps - Mont. Belvieu**

| | Bbls | | $/Bbl |
|---|---|---|---|
| **2009** | | | |
| **Q3** | 217,617 | $ | 41.46 |
| **Q4** | 70,015 | $ | 45.95 |
| **2010** | | | |
| **Q1** | 38,722 | $ | 51.09 |
| **Q2** | 36,493 | $ | 49.01 |
| **Q3** | 33,428 | $ | 49.01 |
| **Q4** | 31,080 | $ | 49.01 |
| **2011** | 19,643 | $ | 49.01 |

* Volumes and revenues associated with natural gas liquids are reported as wet gas in the Company's financial and operating results

**INFORMATION ABOUT FORWARD LOOKING STATEMENTS**

This release contains forward looking statements within the meaning of securities laws, including forecasts and projections.  The words “will,” “believe,” “budget,” “anticipate,” "plan," "intend," "estimate," "forecast," "expect," "encourage," and similar expressions are intended to identify forward looking statements.  These statements involve known and unknown risks, which may cause St. Mary's actual results to differ materially from results expressed or implied by the forward looking statements.  These risks include such factors as the volatility and level of oil and natural gas prices, the uncertain nature of the expected benefits from the acquisition and divestiture of oil and gas properties, uncertainties inherent in projecting future rates of production from drilling activities and acquisitions, the ability of purchasers of production to pay for those sales, the availability of debt and equity financing, the ability of the banks in the Company's credit facility to fund requested borrowings, the ability of hedge counterparties to settle hedges in favor of the Company, the imprecise nature of estimating oil and gas reserves, the availability of additional economically attractive exploration, development, and property acquisition opportunities for future growth and any necessary financings, unexpected drilling conditions and results, unsuccessful exploration and development drilling, drilling and operating service availability, the risks associated with the Company's hedging strategy, and other such matters discussed in the "Risk Factors" section of St. Mary's 2008 Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q which are 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.