

ST. MARY LAND & EXPLORATION COMPANY
CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS

As Amended by the Board of Directors on December 15, 2005

I. Purpose

The Compensation Committee is appointed by the Board of Directors for the purposes of:

- overseeing the administration of the Company's employee compensation and benefit plans;
- establishing the Company's compensation policies;
- assisting the Board in discharging its responsibilities relating to the compensation of the Company's executives; and
- producing a Compensation Committee Report on executive officer compensation as required by the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.

The Committee shall have the authority to retain at the Company's expense such consultants, advisors and counsel as the Committee deems appropriate in its sole discretion to fulfill its purpose, responsibilities and duties. In connection therewith, the Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of Director, Chief Executive Officer or senior executive compensation and shall have the sole authority to approve the consultant's fees and other retention terms. The Committee shall also have the authority to obtain such advice and assistance from internal or external legal, accounting or other advisors as it deems necessary.

II. Composition and Meetings

The Committee shall consist of at least three members, who shall be appointed by the Board. Committee members may be removed and replaced by a majority of the independent Directors of the Board in their discretion. If a Committee Chair is not designated by the Board or is not present at a meeting, the members of the Committee may designate a Chair by majority vote of the Committee members. All members of the Committee shall be independent Directors in accordance with the rules of the New York Stock Exchange. All members of the Committee shall also be "non-employee directors" as defined by SEC Rule 16b-3 and "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code.

The Committee shall meet at least twice annually and more frequently as circumstances dictate. The Committee Chair shall approve an agenda in advance of each meeting.

With Board approval, the Committee may form and delegate authority to subcommittees when appropriate, provided that each subcommittee is composed entirely of independent Directors and has a published subcommittee charter.

III. Responsibilities and Duties

1. The Committee shall have overall responsibility for reviewing, evaluating and recommending to the Board for its approval the Director and officer compensation plans, policies and programs of the Company, and shall recommend to the Board the compensation arrangements for senior executive officers and Directors, adoption of compensation plans in which officers and Directors are eligible to participate, and the granting of stock options, other equity awards and other benefits under the Company's compensation plans and programs.
2. The Committee shall oversee the administration of the Company's executive compensation programs. In connection therewith, the Committee shall annually and at other appropriate times review and approve the performance evaluation process and overall compensation structure for the Company's executive officers, and recommend to the Board for its approval the salaries and all other elements of executive compensation for the officers, including participation in the Company's incentive-compensation plans and equity-based plans that are subject to the Board's approval, such as the Cash Bonus Plan, the stock option plans, and the Net Profits Interest Bonus Plan. The Committee shall also review and make recommendations to the Board with respect to any employment agreements, severance arrangements and change-in control policies and/or agreements, in each case as, when and if appropriate, and any special or supplemental benefits for executives.
3. The Committee shall annually and at other appropriate times review and recommend to the Board corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluate the Chief Executive Officer's performance in light of such goals and objectives, and recommend to the Board the Chief Executive Officer's compensation based on such evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall consider the Company's performance and relative stockholder return, the nature of similar incentive awards to chief executive officers of comparable companies, and the awards given to the Chief Executive Officer in prior years.
4. The Committee shall prepare a Compensation Committee Report on executive officer compensation as required by the SEC to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.
5. The Committee shall annually and at other appropriate times review and recommend, to the Board and management, salary policies for all other employees, and approve the amounts and distribution of payments made to employees under the Cash Bonus Plan and grants of stock options made to employees under the stock option plans. The Committee shall annually and at other appropriate times review the performance of the Company's pension and 401(k) plans with the trustees of those plans.
6. The Committee shall annually and at other appropriate times review and make recommendations to the Board with respect to the compensation of all Directors,

including Director and committee fees, stock options and other items as appropriate.

7. The Committee shall assist the Board in developing and evaluating potential candidates for executive positions, including the Chief Executive Officer, and overseeing the development of executive succession and replacement plans.
8. The Committee shall make regular reports to the Board.
9. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. This Charter shall be amended as appropriate to comply with all applicable requirements of the SEC and the New York Stock Exchange.
10. The Committee shall conduct and present to the Board an annual performance evaluation of the Committee.

The Committee's authority and responsibilities are as set forth in this Charter. In fulfilling its responsibilities, the Committee will rely to a significant extent on information and advice provided by management, consultants, advisors and counsel. When the Committee takes an action, it shall exercise its independent judgment on the basis of such information, advice and other appropriate factors that the action is in the best interests of the Company and its stockholders.