

ST MARY LAND & EXPLORATION CO

Form 10-Q

November 03, 2009

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

FORM 10-Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2009

Commission file number 001-31539

ST. MARY LAND & EXPLORATION COMPANY
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	41-0518430 (I.R.S. Employer Identification No.)
1776 Lincoln Street, Suite 700, Denver, Colorado (Address of principal executive offices)	80203 (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a Smaller reporting
smaller reporting company) company

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of October 27, 2009 the registrant had 62,536,644 shares of common stock, \$0.01 par value, outstanding.

ST. MARY LAND & EXPLORATION COMPANY
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ST. MARY LAND & EXPLORATION COMPANY AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In thousands, except share amounts)

	September 30, 2009	December 31, 2008 (As adjusted, Note 7)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 20,517	\$ 6,131
Short-term investments	-	1,002
Accounts receivable, net of allowance for doubtful accounts of \$16,919 in 2009 and \$16,788 in 2008	98,709	157,690
Refundable income taxes	2,821	13,161
Prepaid expenses and other	16,802	22,161
Accrued derivative asset	41,428	111,649
Total current assets	180,277	311,794
Property and equipment (successful efforts method), at cost:		
Land	1,371	1,350
Proved oil and gas properties	2,804,559	2,969,722
Less - accumulated depletion, depreciation, and amortization	(1,063,232)	(947,207)
Unproved oil and gas properties, net of impairment allowance of \$51,511 in 2009 and \$42,945 in 2008	147,825	168,817
Wells in progress	56,958	90,910
Materials inventory, at lower of cost or market	30,411	40,455
Oil and gas properties held for sale less accumulated depletion, depreciation, and amortization	148,937	1,827
Other property and equipment, net of accumulated depreciation of \$16,617 in 2009 and \$13,848 in 2008	14,516	13,458
	2,141,345	2,339,332
Other noncurrent assets:		
Accrued derivative asset	4,614	21,541
Restricted cash subject to Section 1031 Exchange	-	14,398
Other noncurrent assets	17,523	10,182
Total other noncurrent assets	22,137	46,121

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Total Assets	\$	2,343,759	\$	2,697,247
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued expenses	\$	215,363	\$	254,811
Accrued derivative liability		25,370		501
Deferred income taxes		8,424		41,289
Total current liabilities		249,157		296,601
Noncurrent liabilities:				
Long-term credit facility		235,000		300,000
Senior convertible notes, net of unamortized discount of \$22,716 in 2009, and \$28,787 in 2008		264,784		258,713
Asset retirement obligation		68,682		108,755
Asset retirement obligation associated with oil and gas properties held for sale		23,711		238
Net Profits Plan liability		163,328		177,366
Deferred income taxes		285,042		354,328
Accrued derivative liability		46,315		27,419
Other noncurrent liabilities		11,623		11,318
Total noncurrent liabilities		1,098,485		1,238,137
Commitments and contingencies				
Stockholders' equity:				
Common stock, \$0.01 par value:				
authorized - 200,000,000 shares;				
issued: 62,638,839 shares in 2009 and 62,465,572 shares in 2008;				
outstanding, net of treasury shares:				
62,511,946 shares in 2009				
and 62,288,585 shares in 2008		626		625
Additional paid-in capital		151,620		141,283
Treasury stock, at cost: 126,893 shares in 2009 and 176,987 shares in 2008		(1,230)		(1,892)
Retained earnings		850,593		957,200
Accumulated other comprehensive income (loss)		(5,492)		65,293
Total stockholders' equity		996,117		1,162,509
Total Liabilities and Stockholders' Equity	\$	2,343,759	\$	2,697,247

The accompanying notes are an integral part of these consolidated financial statements.

ST. MARY LAND & EXPLORATION COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(In thousands, except per share amounts)