

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

(Mark One)

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1994

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 0-7062

NOBLE AFFILIATES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Delaware 73-0785597
(STATE OF INCORPORATION) (I.R.S. EMPLOYER IDENTIFICATION NUMBER)

110 West Broadway 73401
Ardmore, Oklahoma
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

Registrant's telephone number, including area code:
(405) 223-4110

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class -----	Name of Each Exchange on Which Registered -----
Common Stock, \$3.33-1/3 par value	New York Stock Exchange, Inc.

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

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 /X/ No _____

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. _____

Aggregate market value of Common Stock held by nonaffiliates as of March 13, 1995: \$1,126,680,498.

Number of shares of Common Stock outstanding as of March 13, 1995:
50,024,356.

DOCUMENTS INCORPORATED BY REFERENCE

Listed below are documents parts of which are incorporated herein by reference and the part of this report into which the document is incorporated:

- (1) 1994 annual report to the shareholders - Parts I and II.
- (2) Proxy statement for the 1995 annual meeting of shareholders - Part III.

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PART I

ITEM 1. BUSINESS.

GENERAL

Noble Affiliates, Inc. is a Delaware corporation organized in 1969. The Registrant is principally engaged, through its subsidiaries, in the exploration,

production and marketing of oil and gas. In this report, unless otherwise indicated or the context otherwise requires, the "Company" or the "Registrant" refers to Noble Affiliates, Inc. and its subsidiaries.

OIL AND GAS

The Registrant's wholly owned subsidiary, Samedan Oil Corporation ("Samedan"), has been engaged in the exploration for and production of oil and gas since 1932. Samedan conducts its exploration and production operations throughout the major basins in the United States, including the Gulf of Mexico, and in foreign jurisdictions, primarily in Canada and Africa. For information regarding Samedan's oil and gas properties, see "Item 2 - Properties - Oil and Gas" on pages 7 through 11 of this report. The Registrant's wholly owned subsidiary, Noble Gas Marketing, Inc. ("NGM"), markets the Company's natural gas as well as third-party gas. For more information regarding NGM's operations, see "Item 1 - Business - Oil and Gas - Marketing" on pages 4 and 5 of this report.

In this report, unless the context otherwise requires, Samedan refers to Samedan Oil Corporation and its subsidiaries and NGM refers to Noble Gas Marketing, Inc. and its subsidiaries. In this report, quantities of oil are expressed in barrels ("bbls"), and quantities of natural gas are expressed in thousands of cubic feet ("Mcf"), millions of cubic feet ("MMcf") or billions of cubic feet ("Bcf").

EXPLORATION ACTIVITIES

Samedan, by itself or through various arrangements with others, investigates potential oil and gas properties, seeks to acquire exploration rights in areas of interest and conducts exploratory activities, including geophysical and geological evaluation and exploratory drilling, where appropriate, on properties for which it acquired such exploration rights.

Samedan has been engaged in exploration and development of oil and gas reserves in federal and state waters offshore Texas and Louisiana since 1968 and has remained active in these areas of the Gulf of Mexico throughout the past 26 years during which it has drilled, or participated in the drilling of (through December 31, 1994), 649 gross wells. In 1994, Samedan drilled or participated in the drilling of 23 exploratory wells (9.9 net) and 31 development wells (13.5 net) in federal and state waters offshore Texas and Louisiana. Of the 54 gross wells drilled, 36 (16.5 net) were completed as productive wells and 18 (6.9 net) were abandoned as dry holes. The Registrant intends to remain active in these areas of the Gulf of Mexico. As of December 31, 1994, the Registrant had 73 undrilled leases in the Gulf of Mexico, with expiration dates ranging from 1995 to 1999, in which the Registrant currently intends to conduct future exploration activities.

The following paragraphs in this "Exploration Activities" section describe significant domestic activities in 1994.

GULF OF MEXICO. Samedan drilled four wells on its Vermilion 371/362 leases. The Vermilion 362 #2 logged 142 feet of gas pay in five zones. The well tested 19.5 million cubic feet of gas and 1,642 barrels of condensate per day out of two zones perforated. The Vermilion 362 #3 well logged 42 feet of gas and condensate pay in three zones. The well was not tested. The Vermilion 371 #3 well logged 118 feet of gas pay in four zones. The Vermilion 371 #4 well logged 70 feet of gas pay in five zones.

In August 1994, Samedan installed the platform and production facilities on its East Cameron 331/332 complex. The East Cameron 331 #6 well was drilled to test a separate fault block. The well encountered approximately 68 feet of oil and gas pay in four zones as determined from electric logs and sidewall cores. Production commenced from the platform in October 1994 upon completion of the first well. At year end 1994,

the Company had completed three wells which were producing approximately 43 million cubic feet of gas and 2,400 barrels of oil per day. All of the wells are expected to be completed by the end of the first quarter of 1995. It is projected that daily production from the field will be approximately 100 million cubic feet of gas and 10,000 barrels of oil per day.

In August 1994, Samedan installed a nine slot platform and production facilities on its 100 percent owned High Island A-547 lease, offshore Texas. Completion operations are expected to commence on the four wells connected to the platform during the first quarter of 1995. The production facilities on the platform are currently capable of handling 50 million cubic feet of gas and 500 barrels of condensate per day.

Samedan drilled a gas discovery on High Island A-231, offshore Texas. The Sidetrack #2 well encountered 19 feet of pay in a lower zone, 25 feet of pay in an intermediate zone, and 16 feet of pay in an upper zone. Samedan owns the full working interest in the upper and lower zones and an 80 percent working interest in the intermediate zone. Production from the well commenced in November 1994 at the rate of 4.1 million cubic feet of gas and 25 barrels of condensate per day.

Offshore Louisiana, Samedan participated with a 35 percent working interest in a gas and condensate discovery on Eugene Island 72. The well was drilled to 17,400 feet and logged 73 net feet of gas pay. The well tested 12.4 million cubic feet of gas and 288 barrels of condensate per day through a 16/64 inch choke with 7,090 pounds of flowing tubing pressure. Production facilities are expected to be installed and production commence from the field during the first quarter of 1995.

Samedan drilled a third well on its Vermilion 332 lease during the year after acquiring the offset lease, Vermilion 333, at a federal sale in 1994. The well logged 25 feet of oil pay and was not tested. The previous two wells, drilled during 1993, tested oil at rates between 576 and 739 barrels per day. Installation of a platform on the field is expected in September 1995. First production is expected to be sold during the fourth quarter of 1995.

During 1994, Samedan participated in drilling wells on two separate deep water prospects. The Garden Banks 240 #3 well, in which the Company owns a 66.7 percent working interest, was drilled in 830 feet of water, offshore Louisiana. The well encountered approximately 145 feet of gas pay in three zones. Current development plans call for installation of a subsea wellhead with production flowing to a nearby platform. Initial production is expected to commence in September 1995 at an estimated rate of 25 million cubic feet of gas and 150 barrels of condensate per day.

Samedan also participated with a 25 percent working interest in drilling the Green Canyon 136 #6 well in 850 feet of water. The well logged 131 feet of gas pay and tested 26.8 million cubic feet of gas per day through a 42/64 inch choke.

Samedan participated in drilling various successful wells from existing platforms, including activity at Main Pass 305/306 (two wells at 100 percent working interest), High Island A-270 (four wells at 7.5 percent working interest), East Cameron 148 (one well at 26 percent working interest), High Island 21 (one well at 15 percent working interest), West Cameron 593 (one well at 28 percent working interest) and Brazos A-52 (one well at 50 percent working interest).

During 1994, Samedan commenced oil and gas production from the following fields: South Timbalier 68, South Marsh Island 232, Ship Shoal 315, Brazos 531/552 and Brazos A-52 B and F platforms.

DOMESTIC ONSHORE. Samedan participated in drilling 79 wells in the Niobrara formation on acreage located in northeastern Colorado, with an average working interest of 77 percent. Seventy wells were completed as gas wells, resulting in an 89 percent success ratio.

Samedan continued to actively exploit new oil reserves inside its waterflood units and on adjacent leases. In Southern Oklahoma, nine wells were drilled in the Company's Wildcat Jim Penn Unit (75 percent working interest), and 10 wells were drilled on adjacent leases, with working interests ranging from 65 to 100 percent.

Samedan acquired 2,560 net acres and 16 producing oil wells in order to form its Mohler Waterflood Prospect, in Meade County, Kansas. Samedan owns the full working interest and has received all necessary approvals to install a secondary

oil recovery project. Work is underway to convert certain wells into water injection wells and install flowlines, tanks and other equipment needed to successfully recover additional oil reserves. The Company expects to obtain peak oil response to the water injection program during early 1997.

In Gaines County, Texas, Samedan drilled ten additional wells in its 58 percent owned South Central Robertson Waterflood Unit. The wells added an estimated 900 barrels of production per day to the unit, bringing total unit oil production up to 3,400 barrels per day.

In Vermilion Parish, Louisiana, Samedan participated in the Trahan #1 well, a 17,500 foot exploratory well, with a 13 percent working interest. The well logged 63 feet of gas and condensate pay in two zones. Additional drilling is planned for the prospect during 1995.

The Company participated in ten exploratory wells in California, resulting in five discoveries. Included in those discoveries are the Bertao #1-30 well, which logged 40 feet of Blewett gas pay at approximately 6,250 feet; the Merritt Island #1 well, which logged seven feet of Winters pay and tested two million cubic feet of gas per day; and the Dodd #2-14 well, which tested three million cubic feet of gas per day out of 30 feet of Blewett pay. Additional exploratory drilling is expected in California during 1995.

In Beckham County, Oklahoma, Samedan participated with a 27.5 percent working interest in the Silk #1-6 well. The exploratory well logged approximately 250 feet of Granite Wash pay in multiple zones. During the fourth quarter of 1994, the well was tested at pre-frac rates of 1.9 million cubic feet of gas and 48 barrels of oil per day. The Company expects to participate in additional drilling on the prospect in 1995.

The following paragraphs in this "Exploration Activities" section describe significant international activities in 1994.

CANADA. During 1994, Samedan Oil of Canada, Inc., a wholly-owned subsidiary of Samedan ("Samedan-Canada"), participated in 20 exploratory wells (10.3 net) and 12 development wells (3.2 net) with interests ranging from 14 to 100 percent. A total of 15 wells (6.8 net) were successfully completed in 1994.

In 1994, Samedan-Canada participated with a 14 percent working interest in drilling five horizontal wells in the Meekwap oil field in Alberta Province. The wells added an approximate 2,000 barrels of oil per day to the unit production, bringing total daily production to 4,000 barrels.

TUNISIA. During 1994, Samedan of Tunisia, Inc., a wholly-owned subsidiary of Samedan ("Samedan-Tunisia"), participated in one exploratory well (.50 net). A delineation well was drilled on Samedan-Tunisia's 50 percent owned Isis concession. The Isis #6 well encountered approximately 85 feet of pay and tested at unstabilized rates up to 3,811 barrels of oil per day. Samedan-Tunisia did not gain sufficient confidence in the size of the reservoir to proceed with a development plan and, accordingly, wrote off the cost of the well which was approximately \$7 million net to Samedan-Tunisia's interest.

Samedan-Tunisia began the drilling of the Zelfa #1 well, located 11 miles offshore, in 190 feet of water to a total depth of 10,270 feet. The Zelfa #1 well was not finalized until 1995 and was not considered a 1994 well. Three zones, ranging from 51 to 112 feet, tested oil at a combined rate of 4,540 barrels per day. Subject to partner approval and rig availability, the Company plans to proceed with additional delineation drilling in 1995.

During the year, the Tazerka oil field, which Samedan-Tunisia operates, produced an average of 1,778 barrels of oil per day (622 net to Samedan-Tunisia) from five wells. Production from the field is stored in a floating production and storage unit, capable of holding 1.4 million barrels of oil, anchored on the property.

WEST AFRICA. Samedan of North Africa, Inc., a wholly-owned subsidiary of Samedan ("Samedan-North Africa"), owns a 30 percent working interest in the Alba Field located in a 500,000 gross acre contract area northwest of Bioco Island in the Atlantic Ocean offshore Equatorial Guinea. During 1994, production from the Alba

Field averaged 4,980 barrels of condensate per day from two wells. The field was shut-in or curtailed for several periods due to mechanical problems either with the wellhead or production facilities. At year end 1994, the field was producing approximately 6,800 barrels of condensate per day. Samedan-North Africa did not engage in any drilling during 1994.

INDONESIA. In April 1994, Samedan Oil of Indonesia, Inc., a wholly-owned subsidiary of Samedan ("Samedan-Indonesia"), sold its 15 percent working interest in a permit covering approximately 747,000 gross acres in the East Java Sea, offshore Indonesia. The oil reserves and related costs attributable to the Company's interest in the Camar Field were essentially written off during 1993.

ACQUISITIONS

During 1994, Samedan purchased proved producing properties in the Gulf of Mexico, onshore United States, and Canada. Samedan spent approximately \$6.1 million on these properties compared with \$418.5 million in 1993. Two of the 1993 transactions, totaling \$405 million, were purchases of proved oil and gas properties from Freeport-McMoRan, Inc. ("Freeport-McMoRan") and FM Properties Operating Co. ("FMPO"). In July 1993, Samedan acquired from Freeport-McMoRan and FMPO for \$100 million all their interest in East Cameron blocks 320, 331 and 332, located in federal waters offshore Louisiana. In October 1993, Samedan acquired substantially all the remaining oil and gas properties from FMPO for \$305 million, which included 40 producing blocks in the Gulf of Mexico and three oil and gas fields onshore in the United States.

Also in 1994, Samedan spent \$10.4 million on acquisitions of unproved properties. These properties were acquired primarily through domestic onshore lease acquisitions, various offshore lease sales and Canadian land sales.

PRODUCTION ACTIVITIES

As of December 31, 1994, Samedan owned approximately 1,915 net producing oil and gas wells in the United States and Canada and approximately 3.4 net producing oil and gas wells in other foreign jurisdictions. Net production of oil (including condensate and natural gas liquids), excluding royalty sales, totaled 8,081,047 bbls in 1994 compared to 6,916,767 bbls in 1993. Net production of natural gas, excluding royalty sales, totaled 87,729,371 Mcf in 1994 compared to 75,139,423 Mcf in 1993.

Samedan operates approximately 31.4 percent of the gross oil and gas wells in which it has an interest, with the remainder operated by others under operating agreements customarily used in the industry.

MARKETING

On January 13, 1994, the Company formed a wholly-owned subsidiary, Noble Gas Marketing, Inc. ("NGM"), for the purpose of seeking out opportunities to enhance the value of the Company's gas by marketing directly to end users, as well as accumulating gas to be sold to gas marketers and pipelines. It is anticipated that NGM will also be actively involved in the purchase and sale of gas from other producers. Such third party gas may be purchased from non-operators who own working interests in the Company's wells, or from other producers' properties in which the Company may not own an interest. NGM, through its wholly-owned subsidiary, Noble Gas Pipelines, Inc., plans to engage in the installation, purchase and operation of gas gathering systems.

Samedan has a gas sales contract with NGM, whereby Samedan is paid an index price for all gas sold to NGM. NGM records sales, including hedging transactions, as gathering, marketing and processing revenues. NGM records as cost of sales in gathering, marketing and processing costs, the amount paid to Samedan and third parties. All intercompany sales and costs have been eliminated.

Oil produced by the Company is sold to various purchasers in the United States, Canada and other foreign locations at various prices depending on the location and quality of the oil. The Company has no long-term contracts with purchasers of its oil production. Crude oil and condensate are distributed through pipelines and trucks to gatherers, transportation companies and end users. In order to manage its exposure to price risks, the

Company from time to time enters into hedging transactions, including crude oil and natural gas futures swap contracts.

Oil prices are affected by a variety of factors that are beyond the control of the Company. The principal factors influencing the prices received by producers of domestic crude oil continue to be the pricing and production of the members of the Organization of Petroleum Exporting Countries. The Company's average per barrel oil price decreased from \$18.68 in 1992 to \$15.91 in 1993 to \$14.90 in 1994. The Company's average oil prices for 1992 and 1993 reflected additional amounts per barrel of \$0.33 and \$0.02, respectively, from hedging oil production. The Company did not hedge any of its oil production during 1994.

Substantial competition in the natural gas marketplace continued in 1994. Gas prices, which were once determined largely by governmental regulations, are now being influenced to a greater extent by the marketplace. The average price per Mcf realized by the Company was \$1.81 in 1992, \$2.10 in 1993 and \$1.97 in 1994. The Company's average gas prices for 1992 and 1993 reflected reductions of \$0.045 and \$0.048 per Mcf, respectively, from hedging natural gas production. The Company did not hedge any of its gas production during 1994, but did through its marketing subsidiary, NGM, hedge approximately 27,000 MMBtu's per day during the second half of 1994 at prices ranging from \$1.33 to \$1.92 per MMBtu.

The largest single customer for the Company's oil in 1994 purchased approximately 15 percent of its oil production, and the five largest purchasers accounted for approximately 55 percent of total oil production. The largest single customer for the Company's gas in 1994 purchased approximately 19 percent of its gas production, and the five largest purchasers accounted for approximately 33 percent of total gas production. The Company does not believe that the loss by the Company of a major oil or gas customer would have a material adverse effect on the Company.

REGULATION AND RISKS

GENERAL. Exploration for and production and sale of oil and gas are extensively regulated at the national, state and local levels. Oil and gas development and production activities are subject to various state laws and regulations (and orders of regulatory bodies pursuant thereto) governing a wide variety of matters, including allowable rates of production, marketing, pricing, prevention of waste and pollution, and protection of the environment. Laws affecting the oil industry are under constant review for amendment or expansion and frequently increase the regulatory burden on companies. Numerous governmental departments and agencies are authorized by statute to issue rules and regulations binding on the oil and gas industry. Many of these governmental bodies have issued rules and regulations that are often difficult and costly to comply with, and that carry substantial penalties for failure to comply. These laws, regulations and orders may restrict the rate of oil and gas production below the rate that would otherwise exist in the absence of such laws, regulations and orders. The regulatory burden on the oil and gas industry increases its costs of doing business and consequently affects its profitability.

NATURAL GAS. The natural gas industry has been regulated under the Natural Gas Act and the Natural Gas Policy Act of 1978 (the "NGPA"). Under the Natural Gas Wellhead Decontrol Act of 1989, price ceilings have been eliminated over a transition period which ended on January 1, 1993.

CERTAIN RISKS. In Samedan's exploration operations, losses may occur before any accumulation of oil or gas is found. If oil or gas is discovered, no assurance can be given that sufficient reserves will be developed to enable Samedan to recover the costs incurred in obtaining the reserves or that reserves will be developed at a rate sufficient to replace reserves currently being produced and sold. Samedan's international operations are also subject to certain political, economic and other uncertainties including, among others, risks of war, expropriation, renegotiation or modification of existing contracts, taxation policies, foreign exchange restrictions, international monetary fluctuations and other hazards arising out of foreign governmental sovereignty over areas in which Samedan conducts operations.

ENVIRONMENTAL MATTERS. As a developer, owner and operator of oil and gas properties, Samedan is subject to various federal, state, local and foreign country laws and regulations relating to the discharge of materials into, and the protection of, the environment. The release or discharge of oil from Samedan's domestic onshore or offshore facilities could subject Samedan to liability under federal laws and regulations, including the Oil Pollution

Act of 1990, the Outer Continental Shelf Lands Act and the Clean Water Act, for pollution cleanup costs, damage to the environment, civil or criminal penalties, and orders or injunctions requiring the suspension or cessation of operations in affected areas. The liability under these laws for a substantial release or discharge of oil, subject to certain specified limitations on liability, may be extraordinarily large. If any oil pollution was caused by willful misconduct, willful negligence or gross negligence, or was caused primarily by a violation of federal regulations, such limitations on liability may not apply. Certain of Samedan's facilities are subject to regulations of the United States Environmental Protection Agency, including regulations that require the preparation and implementation of spill prevention control and countermeasure plans relating to the possible discharge of oil into navigable water.

The Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), also known as "Superfund", imposes liability on certain classes of persons that contributed to the release or threatened release of a hazardous substance into the environment or that own or operate facilities or vessels onto or into which hazardous substances are disposed. The Resource Conservation and Recovery Act ("RCRA") and regulations promulgated thereunder regulate hazardous waste, including its treatment, storage and disposal. CERCLA currently exempts crude oil, and RCRA currently exempts certain oil and gas exploration and production drilling materials, such as drilling fluids and produced waters, from the definitions of hazardous substances and hazardous wastes. Samedan's operations, however, may involve the use or handling of other materials that may be classified as hazardous substances or hazardous wastes, and therefore, these statutes and regulations promulgated under them would apply to Samedan's generation, handling and disposal of these materials. In addition, there can be no assurance that such exemptions will be preserved in future amendments of such acts, if any, or that more stringent laws and regulations protecting the environment will not be adopted.

Certain of Samedan's facilities may also be subject to other federal environmental laws and regulations, including the Clean Air Act with respect to emissions of air pollutants. Certain state or local laws or regulations may impose liabilities in addition to or restrictions more stringent than those described herein. The environmental laws, rules and regulations of foreign countries are generally less stringent than those of the United States, and therefore, the requirements of such jurisdictions do not generally impose an additional compliance burden on Samedan.

Samedan has made and will continue to make expenditures in its efforts to comply with environmental requirements. The Company does not believe that it has to date expended material amounts in connection with such activities or that compliance with such requirements will have a material adverse effect upon the capital expenditures, earnings or competitive position of the Company. Although such requirements do have a substantial impact upon the energy industry, generally they do not appear to affect the Company any differently or to any greater or lesser extent than other companies in the industry.

INSURANCE. Samedan believes that it has such insurance coverages as are customary in the industry and that it is adequately protected by public liability and physical damage insurance.

COMPETITION

The oil and gas industry is highly competitive. Since many companies and individuals are engaged in exploring for oil and gas and acquiring oil and gas properties, a high degree of competition for desirable exploratory and producing properties exists. A number of the companies with which Samedan competes are larger and have greater financial resources than Samedan.

The availability of a ready market for Samedan's oil and gas production depends on numerous factors beyond its control, including the level of consumer demand, the extent of worldwide oil and gas production, the costs and availability of alternative fuels, the costs of and proximity of pipelines and other transportation facilities, regulation by state and federal authorities and the costs of complying with applicable environmental regulations.

EMPLOYEES

The total number of employees of the Company increased from 518 at December

31, 1993 to 521 at December 31, 1994.

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ITEM 2. PROPERTIES.

OFFICES

The principal executive office of the Company is located at 110 West Broadway, Ardmore, Oklahoma 73401. The principal executive office of Samedan is in Ardmore, Oklahoma, and Samedan also maintains division offices in Oklahoma City, Houston, Denver and Calgary, Canada. Samedan maintains three separate offices in Houston for its international, offshore and onshore oil and gas operations. Samedan maintains an office in Tunis, Tunisia, from which it operates its various concessions and producing property in Tunisia. The principal executive office of NGM is located in Houston.

OIL AND GAS

The estimated proved and proved developed oil and gas reserves of Samedan, as of December 31, 1994, 1993 and 1992 and the standardized measure of discounted future net cash flows attributable thereto at December 31, 1994, 1993 and 1992 are included in Note 10 of Notes to Consolidated Financial Statements appearing on pages 34 through 37 of the Registrant's 1994 annual report to shareholders, which Note is incorporated herein by reference ("Note 10").

Note 10 also includes Samedan's net production (including royalty and working interest production) of oil and natural gas for the three years ended December 31, 1994. Royalty production of both oil and gas (stated in oil barrel equivalents) is included in the "Crude Oil & Condensate" presentation in Note 10. Samedan has no oil or gas applicable to long-term supply or similar agreements with foreign governments or authorities in which Samedan acts as producer.

Since January 1, 1994, no oil or gas reserve information has been filed with, or included in any report to, any federal authority or agency other than the Securities and Exchange Commission and the Energy Information Administration (the "EIA"). Samedan files Form 23, including reserve and other information, with the EIA.

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The following table sets forth for each of the last three years the average sales price (including transfers) per unit of oil produced and per unit of natural gas produced, and the average production (lifting) cost per unit of production.

	YEAR ENDED DECEMBER 31,		
	1994	1993	1992
Average sales price per bbl of oil (1):			
United States.....	\$14.76	\$16.05	\$18.97
Canada.....	\$13.72	\$15.13	\$17.19
Other international.....	\$16.75	\$15.32	\$17.87
Combined.....	\$14.90	\$15.91 (2)	\$18.68 (2)
Average sales price per Mcf of natural gas (1):			
United States.....	\$ 1.99	\$ 2.15	\$ 1.86
Canada.....	\$ 1.47	\$ 1.22	\$ 1.02
Combined.....	\$ 1.97	\$ 2.10 (3)	\$ 1.81 (3)
Average production (lifting) cost per unit of oil and natural gas production,			

excluding depreciation (per bbl) (4):

United States.....	\$ 3.64	\$ 4.26	\$ 4.79
Canada.....	\$ 5.17	\$ 6.33	\$ 5.16
Other international.....	\$ 3.89	\$ 6.40	\$ 7.24
Combined	\$ 3.71	\$ 4.45	\$ 5.02

<FN>

- (1) Net production amounts used in this calculation include royalties.
- (2) Includes per barrel \$0.02 in 1993 and \$0.33 in 1992, from hedging.
- (3) Reflects a reduction per Mcf of \$0.048 in 1993 and \$0.045 in 1992, from hedging.
- (4) Gas production is converted to oil barrel equivalents based on the average sales prices per barrel of oil and per Mcf of gas. Net production amounts used in the calculation of average sales prices for purposes of computing the conversion ratio excludes royalties. Conversion ratios for 1994, 1993 and 1992 are set forth below:

	UNITED STATES	CANADA
	-----	-----
1994	7.44 to 1	9.42 to 1
1993	7.46 to 1	12.45 to 1
1992	10.19 to 1	16.85 to 1

The number of productive oil and gas wells in which Samedan had interests and the developed acreage held as of December 31, 1994, were as follows:

LOCATION	PRODUCTIVE WELLS (1) (2)				DEVELOPED ACREAGE (3) (4)	
	OIL		GAS		GROSS ACRES	NET ACRES
	GROSS	NET	GROSS	NET		
-----	-----	-----	-----	-----	-----	-----
United States						
(onshore).....	3,513.5	887.2	1,311.5	724.5	636,032	378,781
Canada.....	89.5	25.1	75.5	20.1	130,922	40,167
United States						
(offshore).....	245.5	106.0	403.5	152.2	734,123	284,575
Other International..	7.0	2.6	2.0	.8	367,762	115,174
Total.....	3,855.5	1,020.9	1,792.5	897.6	1,868,839	818,697
-----	-----	-----	-----	-----	-----	-----

<FN>

- (1) Productive wells are producing wells and wells capable of production. A gross well is a well in which a working interest is owned. The number of gross wells is the total number of wells in which a working interest is owned. A net well is deemed to exist when the sum of fractional ownership working interests in gross wells equals one. The number of net wells is the sum of the fractional working interests owned in gross wells expressed as whole numbers and fractions thereof.
- (2) One or more completions in the same bore hole is counted as one well. Included in the table and counted as one gross well each are 25.5 oil wells (16.1 net) and 41.5 gas wells (16.5 net) that are multiple completions. Also included in the table are 788.5 gross oil wells

(233.1 net) and 118.5 gross gas wells (71.3 net) that were not producing at December 31, 1994 because such wells were awaiting additional action or pipeline connections.

(3) Developed acreage is acreage spaced or assignable to productive wells.

(4) A gross acre is an acre in which a working interest is owned. A net acre is deemed to exist when the sum of fractional ownership working interests in gross acres equals one. The number of net acres is the sum of the fractional working interests owned in gross acres expressed as whole numbers and fractions thereof.

The undeveloped acreage (including both leases and concessions) that Samedan held as of December 31, 1994, is as follows:

LOCATION -----	UNDEVELOPED ACREAGE (1) (2)	
	GROSS ACRES -----	NET ACRES -----
United States Onshore		
California.....	30,852	13,879
Colorado.....	30,688	23,752
Mississippi.....	6,666	4,822
Montana.....	25,018	9,008
New Mexico.....	14,566	9,768
North Dakota.....	21,618	9,174
Oklahoma.....	19,412	8,049
Texas.....	55,075	21,092
Utah.....	5,806	2,687
Wyoming.....	60,830	17,451
Others.....	8,836	4,582
	-----	-----
Total United States Onshore.....	279,367	124,264
	-----	-----
United States Offshore		
Alabama.....	143,155	52,150
California.....	79,678	8,625
Louisiana.....	157,999	73,819
Mississippi.....	28,800	24,960
Texas.....	65,504	56,276
	-----	-----
Total United States Offshore.....	475,136	215,830
	-----	-----
International		
Canada.....	244,841	116,577
Tunisia.....	1,639,450	786,079
	-----	-----
Total International.....	1,884,291	902,656
	-----	-----
Total.....	2,638,794	1,242,750
	-----	-----

<FN>

(1) Undeveloped acreage is considered to be those lease acres on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and gas regardless of whether or not such acreage contains proved reserves. Included within undeveloped acreage are those lease acres (held by production under the terms of a lease) that are not within the spacing unit containing, or acreage assigned to, the productive well so holding such lease.

(2) A gross acre is an acre in which a working interest is owned. A net acre is deemed to exist when the sum of fractional ownership working interests in gross acres equals one. The number of net acres is the sum of the fractional working interests owned in gross acres expressed as whole numbers and fractions thereof.

The following table sets forth for each of the last three years the number of net exploratory and development wells drilled by or on behalf of Samedan. An exploratory well is a well drilled to find and produce oil or gas in an unproved area, to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir, or to extend a known reservoir. A development well, for purposes of the following table and as defined in the rules and regulations of the Securities and Exchange Commission, is a well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive. The number of wells drilled refers to the number of wells completed at any time during the respective year, regardless of when drilling was initiated; and "completion" refers to the installation of permanent equipment for the production of oil or gas, or, in the case of a dry hole, to the reporting of abandonment to the appropriate agency.

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NET EXPLORATORY WELLS

Year Ended December 31,	PRODUCTIVE (1)			DRY (2)		
	U.S.	Canada	Other International	U.S.	Canada	Other International
1992.....	6.73	1.33	--	10.51	7.67	.87
1993.....	5.58	1.10	--	10.67	5.29	1.30
1994.....	8.06	3.75	--	16.45	6.59	.40

NET DEVELOPMENT WELLS

Year Ended December 31,	PRODUCTIVE (1)			DRY (2)		
	U.S.	Canada	Other International	U.S.	Canada	Other International
1992.....	24.85	.98	.30	2.56	.24	--
1993.....	33.07	2.62	--	3.06	1.37	--
1994.....	99.91	3.08	--	13.37	.14	--

<FN>

(1) A productive well is an exploratory or a development well that is not a dry hole.

(2) A dry hole is an exploratory or development well found to be incapable of producing either oil or gas in sufficient quantities to justify

completion as an oil or gas well.

Samedan spent approximately \$6.1 million in 1994 on the purchase of producing oil and gas properties. See Item 1. "Business -- Oil and Gas -- Acquisitions" hereof for a discussion of acquisitions in 1994. Approximately \$418.5 million and \$6.2 million, respectively, were spent on such purchases in 1993 and 1992.

At February 23, 1995, Samedan was drilling 6 gross (3.6 net) exploratory wells, and 35 gross (23.1 net) development wells. These wells are located onshore in the United States in California, Colorado, North Dakota, Oklahoma, Texas and Wyoming and Canada in Alberta Province, and offshore Gulf of Mexico. These wells have objectives ranging from approximately 2,400 to 11,500 feet. The estimated drilling cost to Samedan of these wells is approximately \$6,100,000 if all are dry and approximately \$9,200,000 if all are completed as producing wells.

ITEM 3. LEGAL PROCEEDINGS.

Samedan is an unsecured creditor of Columbia Gas Transmission Corporation ("Columbia") which filed for protection from creditors under Chapter 11 of the Federal Bankruptcy Code on July 31, 1991, in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). IN RE COLUMBIA GAS TRANSMISSION CORPORATION, Case No. 91-804 (Bankr. D. Del. 1991). Samedan and Columbia are parties to a gas sales contract, which terminates in 1998, covering a property in the Gulf of Mexico. Samedan's gas sales contract was rejected by Columbia in its bankruptcy proceeding. On March 16, 1992, Samedan filed a proof of claim with the Bankruptcy Court in the amount of approximately \$117 million covering approximately \$3.0 million for the contract price on prepetition gas purchases, approximately \$2.0 million for the contract price due on prepetition take or pay obligations, and approximately \$112 million for damages arising from the rejection of Samedan's gas sales contract. The full amount of Samedan's claim is classified as an unsecured non-priority claim. The Bankruptcy Court has established a claim procedure pursuant to which the claim of Samedan, and other creditors with claims arising from rejected gas sales contracts, shall be determined. Pursuant to such claims procedure, Charles P. Nomandin has been appointed as claims mediator in order to, among other things, estimate the claims of producers with claims arising from gas supply contracts. Samedan is participating in this claims resolution procedure and intends, if necessary, to advance and litigate the amount of its unsecured claim. A preliminary Plan of Reorganization for Columbia dated January 18, 1994 has been filed by Columbia, but the applicable schedules indicating the sums which individual producer claimants, such as Samedan, would receive under such Plan of Reorganization were not attached to that

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filing. Columbia has requested, and the Bankruptcy Court has agreed, that no action be taken by the Bankruptcy Court on that filing while settlement discussions take place between Columbia and the various creditor groups. Samedan is participating in such settlement discussions. It is unknown whether resolution of Samedan's claim will occur in 1995, or at what amount the claim may be ultimately resolved.

There are no other material pending legal proceedings, other than ordinary routine litigation incidental to the business of the Registrant and its subsidiaries, to which the Registrant or any of its subsidiaries is a party or of which any of their property is the subject.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following tabulation sets forth certain information, as of March 13, 1995, with respect to the executive officers of the Registrant.

NAME	AGE	POSITION
Robert Kelley (1)	49	Chairman of the Board, President, Chief Executive Officer, Director
George L. DeMare, Jr. (2)	49	Vice President and Operating Committee Member of Samedan
William D. Dickson (3)	46	Vice President-Finance and Treasurer of the Registrant and Operating Committee Member of Samedan
Dan O. Dinges (4)	41	Vice President and Operating Committee Member of Samedan
Boyce Perry (5)	64	Vice President and Operating Committee Member of Samedan
W. A. Poillion (6)	45	Vice President and Operating Committee Member of Samedan
Orville Walraven (7)	50	Corporate Secretary of the Registrant and Vice President and Operating Committee Member of Samedan
James C. Woodson (8)	52	Vice President and Operating Committee Member of Samedan

<FN>

(1) Robert Kelley has served as President and Chief Executive Officer of the Registrant since August 1, 1986, and as Chairman of the Board since October 27, 1992. Prior to serving as President, he served as Executive Vice President of the Registrant from January 1986. Mr. Kelley became a director of the Registrant in July 1986. He currently also serves as President and Chief Executive Officer of Samedan. He became President of Samedan in 1984 after serving previously as Executive Vice President and Vice President-Finance.

(2) George L. DeMare, Jr. has served as Vice President and Onshore Division Manager of Samedan since January 1989. Mr. DeMare has been a member of the Operating Committee of Samedan since January 31, 1995.

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(3) William D. Dickson was elected Vice President-Finance and Treasurer of the Registrant in October 1985. He has served as Vice President-Finance, Treasurer and Assistant Secretary of Samedan since 1984 and as a member of the Operating Committee of Samedan since February 9, 1994.

(4) Dan O. Dinges has served as Vice President and Division General Manager, Offshore Division of Samedan since January 1989. Mr. Dinges has been a member of the Operating Committee of Samedan since January 31, 1995.

(5) Boyce Perry has served as Vice President - Marketing of Samedan since April 1, 1984. Mr. Perry has been a member of the Operating Committee of Samedan since June 1, 1984.

(6) W. A. Poillion has served as Vice President - Production and Drilling and a member of the Operating Committee of Samedan since November 1, 1990. Prior thereto, he served as Manager of Offshore Production and Drilling for Samedan from March 1, 1985 to October 31, 1990.

(7) Orville Walraven has served as Corporate Secretary of the Registrant since January 1, 1989. He has also served as Vice President - Land of Samedan and

as a member of the Operating Committee of Samedan since January 1, 1989.

- (8) James C. Woodson has served as Vice President - Exploration of Samedan since September 1, 1983. Mr. Woodson has been a member of the Operating Committee of Samedan since August 1, 1986.

The terms of office for the officers of the Registrant continue until their successors are chosen and qualified. No officer or executive officer of the Registrant has an employment agreement with the Registrant or any of its subsidiaries. There are no family relationships between any of the Registrant's officers.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Registrant's common stock is listed and traded on the New York Stock Exchange under the symbol "NBL". The table captioned "Dividends and Stock Prices by Quarters" appearing on page 40 of the Registrant's 1994 annual report to shareholders contains certain information with respect to sales prices of the common stock and cash dividends declared by the Registrant on the common stock, and such table is incorporated herein by reference.

At December 31, 1994, there were 1,929 shareholders of record of the Registrant.

ITEM 6. SELECTED FINANCIAL DATA.

Selected financial data of the Registrant is set forth on page 21 of the Registrant's 1994 annual report to shareholders and is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Management's discussion and analysis of financial condition and results of operations is set forth on pages 15 through 20 of the Registrant's 1994 annual report to shareholders and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The consolidated financial statements, appearing on pages 22 through 33, together with the report thereon of Arthur Andersen LLP dated January 27, 1995 appearing on page 33, and the unaudited information, appearing on pages 34 through 37, of the Registrant's 1994 annual report to shareholders are incorporated herein by reference. With the exception of the aforementioned information and the information expressly incorporated into Items 2, 5, 6 and 7 hereof, the 1994 annual report to shareholders is not to be deemed to be filed as part of this report.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The section entitled "Election of Directors" appearing on pages 3 and 4 of the Registrant's proxy statement for the 1995 annual meeting of shareholders sets forth certain information with respect to the directors of the Registrant and is incorporated herein by reference. Certain information with respect to the executive officers of the Registrant is set forth under the caption "Executive Officers of the Registrant" in Part I of this report.

The section entitled "Certain Transactions" appearing on page 15 of the

Registrant's proxy statement for the 1995 annual meeting of shareholders sets forth certain information with respect to compliance with Section 16(a) of the Exchange Act and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION.

The section entitled "Executive Compensation" appearing on pages 7 through 14 of the Registrant's proxy statement for the 1995 annual meeting of shareholders sets forth certain information with respect to the compensation of management of the Registrant, and, except for the report of the compensation and benefits committee of the Board of Directors (pages 7 through 10) and the information therein under "Performance Graph" (page 14), is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The sections entitled "Security Ownership of Certain Beneficial Owners" and "Security Ownership of Directors and Executive Officers" appearing on pages 2 and 6, respectively, of the Registrant's proxy statement for the 1995 annual meeting of shareholders set forth certain information with respect to the ownership of the Registrant's common stock, and are incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Not applicable.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) The following documents are filed as a part of this report:

Page In 1994
Annual Report
to Shareholders
(Incorporated
by Reference)

(1) Financial Statements:

Consolidated Balance Sheet at December 31, 1994 and 1993..	22
Consolidated Statement of Operations for the three years ended December 31, 1994.....	23
Consolidated Statement of Cash Flows for the three years ended December 31, 1994.....	24
Consolidated Statement of Shareholders' Equity for the three years ended December 31, 1994.....	25
Notes to Consolidated Financial Statement.....	25
Report of Independent Public Accountants.....	33
Supplemental Oil and Gas Information (Unaudited) and Interim Financial Information (Unaudited).....	34

(2) Financial Statement Schedules:

All schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

Financial statements of two 50 percent or less owned entities accounted for by the equity method have been omitted because, in the aggregate, the proportionate share of their profit before income taxes and total assets are less than 20 percent of the respective consolidated amounts, and investments in such entities are less than 20 percent of consolidated total assets, of the Registrant.

(3) Exhibits:

The exhibits required to be filed by this Item 14 are set forth in the Index to Exhibits accompanying this report.

(b) No report on Form 8-K was filed by the Registrant during the quarter ended December 31, 1994.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NOBLE AFFILIATES, INC.

Date: March 28, 1995

By: WILLIAM D. DICKSON

William D. Dickson,
Vice President-Finance and Treasurer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE -----	CAPACITY IN WHICH SIGNED -----	DATE ----
ROBERT KELLEY ----- Robert Kelley	Chairman of the Board, President, Chief Executive Officer and Director (Principal Executive Officer)	March 28, 1995
WILLIAM D. DICKSON ----- William D. Dickson	Vice President-Finance and Treasurer (Principal Financial and Accounting Officer)	March 28, 1995
ROY BUTLER ----- Roy Butler	Director	March 28, 1995
MICHAEL A. CAWLEY ----- Michael A. Cawley	Director	March 28, 1995
EDWARD F. COX ----- Edward F. Cox	Director	March 28, 1995
JAMES C. DAY ----- James C. Day	Director	March 28, 1995
HAROLD F. KLEINMAN ----- Harold F. Kleinman	Director	March 28, 1995
GEORGE J. MCLEOD ----- George J. McLeod	Director	March 28, 1995

Director

March 28, 1995

Guy W. Nichols

JOHN F. SNODGRASS

Director

March 28, 1995

John F. Snodgrass

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INDEX TO EXHIBITS

Exhibit
Number

Exhibit

- 3.1 Certificate of Incorporation, as amended, of the Registrant as currently in effect (filed as Exhibit 3.2 to the Registrant's annual report on Form 10-K for the fiscal year ended December 31, 1987 and incorporated herein by reference).
- 3.2 Composite copy of Bylaws as currently in effect (filed as Exhibit 3.2 to the Registrant's annual report on Form 10-K for the year ended December 31, 1992 and incorporated herein by reference).
- 4.1 Indenture dated as of June 6, 1989, between the Registrant and First RepublicBank Dallas, National Association, Trustee, including form of the Registrant's 10 1/8% Notes Due June 1, 1997 (filed as Exhibit 4.1 to the Registrant's Registration Statement on Form S-3 (Registration No. 33-14111) and incorporated herein by reference).
- 4.2 Indenture dated as of October 14, 1993 between the Registrant and U.S. Trust Company of Texas, N.A., as Trustee, relating to the Registrant's 7 1/4% Notes Due 2023, including form of the Registrant's 7 1/4% Note Due 2023 (filed as Exhibit 4.1 to the Registrant's quarterly report on Form 10-Q for the quarter ended September 30, 1993 and incorporated herein by reference).
- 4.3 Indenture dated as of October 14, 1993 entered into between the Registrant and United States Trust Company of New York, as Trustee, relating to the Registrant's 4 1/4% Convertible Subordinated Notes Due 2003, including form of the Registrant's 4 1/4% Convertible Subordinated Note Due 2003 (filed as Exhibit 4.2 to the Registrant's quarterly report on Form 10-Q for the quarter ended September 30, 1993 and incorporated herein by reference).
- 10.1* Samedan Oil Corporation Bonus Plan revised January 1, 1992 (filed as Exhibit 10.1 to the Registrant's annual report on Form 10-K for the year ended December 31, 1992 and incorporated herein by reference).
- 10.2* Noble Affiliates Thrift and Profit Sharing Plan, as amended and restated effective as of January 1, 1994.
- 10.3* Noble Affiliates Thrift and Profit Sharing Trust, amended and restated effective as of January 1, 1988 (filed as Exhibit 10.3 to the Registrant's annual report on Form 10-K for the fiscal year ended December 31, 1987 and incorporated herein by reference).
- 10.4* Amendment No. 9 to the Noble Affiliates Thrift and Profit Sharing Plan, as amended and restated, effective as of September 1, 1988.
- 10.5* Restoration of Retirement Income Plan for certain participants in the Noble Affiliates Retirement Plan dated September 21, 1994, effective as of May 19, 1994.
- 10.6* Noble Affiliates Thrift Restoration Plan dated May 19, 1994.
- 10.7* Noble Affiliates Restoration Trust dated September 21, 1994, effective as of October 1, 1994.
- 10.8* Noble Affiliates, Inc. 1992 Stock Option and Restricted Stock Plan, as amended and restated, dated November 2, 1992 (filed as Exhibit 4.1 to registration statement on Form S-8 (Registration No. 33-54084) and incorporated herein by reference).

10.9* 1982 Stock Option Plan of the Registrant (filed as Exhibit 4.1 to registration statement on Form S-8 (Registration No. 2-81590) and incorporated herein by reference).

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Exhibit Number -----	Exhibit -----
10.10*	Amendment No. 1 to the 1982 Stock Option Plan of the Registrant (filed as Exhibit 4.2 to registration statement on Form S-8 (Registration No. 2-81590) and incorporated herein by reference).
10.11*	Amendment No. 2 to the 1982 Stock Option Plan of the Registrant (filed as Exhibit 10.8 to the Registrant's annual report on Form 10-K for the fiscal year ended December 31, 1985 and incorporated herein by reference).
10.12*	1978 Non-Qualified Stock Option Plan of the Registrant (filed as Exhibit 1.1 to registration statement on Form S-8 (Registration No. 2-64600) and incorporated herein by reference).
10.13*	1978 Non-Qualified Stock Option Plan of the Registrant, as amended July 27, 1978 (filed as Exhibit 1.2 to registration statement on Form S-8 (Registration No. 2-64600) and incorporated herein by reference).
10.14*	Amendment No. 2 to 1978 Non-Qualified Stock Option Plan of the Registrant (filed as Exhibit 10.20 to the Registrant's annual report on Form 10-K for the year ended December 31, 1993 and incorporated herein by reference).
10.15*	Amendment No. 3 to 1978 Non-Qualified Stock Option Plan of the Registrant (filed as Exhibit 10.12 to the Registrant's annual report on Form 10-K for the year ended December 31, 1985 and incorporated herein by reference).
10.16*	1988 Nonqualified Stock Option Plan for Non-Employee Directors of the Registrant (filed as Exhibit 10.3 to the Registrant's annual report on Form 10-K for the fiscal year ended December 31, 1988 and incorporated herein by reference).
10.17*	Amendment No. 1 to 1988 Nonqualified Stock Option Plan for Non-Employee Directors of the Registrant dated as of July 28, 1992 (filed as Exhibit 10.13 to the Registrant's annual report on Form 10-K for the year ended December 31, 1992 and incorporated herein by reference).
10.18	Guaranty of the Registrant dated October 28, 1982, guaranteeing certain obligations of Samedan (filed as Exhibit 10.12 to the Registrant's annual report on Form 10-K for the year ended December 31, 1993 and incorporated herein by reference).
10.19	Credit Agreement dated as of March 2, 1988, among the Registrant, Bankers Trust Registrant, as Agent, and the banking institutions listed in Annex I thereto (filed as Exhibit 10.25 to the Registrant's annual report on Form 10-K for the year ended December 31, 1987 and incorporated herein by reference).
10.20	First Amendment to Credit Agreement dated as of December 22, 1989, among the Registrant, Bankers Trust Company, as Agent, and the banking institutions party to the Credit Agreement (filed as Exhibit 10.16 to the Registrant's annual report on Form 10-K for the year ended December 31, 1991 and incorporated herein by reference).
10.21	Second Amendment to Credit Agreement dated as of October 31, 1991, among the Registrant, Bankers Trust Company, as Agent, and the banking institutions party to the Credit Agreement (filed as Exhibit 10.17 to the Registrant's annual report on Form 10-K for the year ended December 31, 1991 and incorporated herein by reference).
10.22	Third Amendment to Credit Agreement, among the Registrant, Bankers Trust Company, as Agent, and the banking institutions party to the Credit Agreement dated as of October 30, 1992 (filed as Exhibit 10.24 to the Registrant's annual report on Form 10-K for the year ended December 31, 1992 and incorporated herein by reference).

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Exhibit Number -----	Exhibit -----
10.23	Fourth Amendment to Credit Agreement dated as of September 30, 1993 among the Registrant, Bankers Trust Company, as Agent, and the financial institutions listed on the signature pages thereto (filed as Exhibit 2.6 to the Registrant's Registration Statement on Form S-3 (No. 33-69248) and incorporated herein by reference).
10.24	Agreement dated March 31, 1989, by and between Apache Corporation and the Registrant (filed as Exhibit 2(a) to the Registrant's current report on Form 8-K (Date of Report: May 16, 1989) and incorporated herein by reference).
10.25	Consent regarding agreement dated April 30, 1989, by and between Apache Corporation and the Registrant (filed as Exhibit 2(b) to the Registrant's current report on Form 8-K (Date of Report: May 16, 1989) and incorporated herein by reference).
10.26	Purchase and Sale Agreement dated as of June 24, 1993 by and between Freeport-McMoRan Oil & Gas Company Division of Freeport-McMoRan Inc., individually and as Managing General Partner of FM Properties Operating Co., and Samedan Oil Corporation (filed as Exhibit 2 to the Registrant's Current Report on Form 8-K dated July 29, 1993 and incorporated herein by reference).
10.27	Purchase and Sale Agreement dated as of September 16, 1993 by and between FM Properties Operating Co. and Samedan Oil Corporation (filed as Exhibit 2.2 to the Registrant's Registration Statement on Form S-3 (No. 33-69248) and incorporated herein by reference).
10.28	Purchase and Sale Agreement (Installment Sale) dated as of September 16, 1993 by and between FM Properties Operating Co. and Samedan Oil Corporation (filed as Exhibit 2.3 to the Registrant's Registration Statement on Form S-3 (No. 33-69248) and incorporated herein by reference).
10.29	Promissory Note dated October 1, 1993 of Samedan Oil Corporation in the principal amount of \$95.6 million payable to FM Properties Operating Co. in connection with the agreement filed as Exhibit 10.32 hereto (filed as Exhibit 2.4 to the Registrant's quarterly report on Form 10-Q for the quarter ended September 30, 1993 and incorporated herein by reference).
10.30	Letter agreement dated September 16, 1993 between FM Properties Operating Co. and Samedan Oil Corporation relating to the agreements filed as Exhibits 10.31 and 10.32 hereto (filed as Exhibit 2.5 to the Registrant's Registration Statement on Form S-3 (No. 33-69248) and incorporated herein by reference).
13	The following information appearing on the following pages of the Registrant's 1994 annual report to shareholders: (i) management's discussion and analysis of financial condition and results of operations, pages 15 through 20;

(ii) selected financial data, page 21; (iii) the consolidated financial statements, together with the report thereon of Arthur Andersen LLP dated January 27, 1995, pages 22 through 33, and the unaudited information, pages 34 through 37; and (iv) the table captioned "Dividends and Stock Prices by Quarters," page 40.

21	Subsidiaries.
23	Consent of Arthur Andersen LLP.
27	Financial Data Schedule.

<FN>

* Management contract or compensatory plan or arrangement required to be filed as an exhibit hereto.

NOBLE AFFILIATES

THRIFT AND PROFIT SHARING PLAN

(AS AMENDED AND RESTATED EFFECTIVE AS OF JANUARY 1, 1994)

NOBLE AFFILIATES

THRIFT AND PROFIT SHARING PLAN

(AS AMENDED AND RESTATED EFFECTIVE AS OF JANUARY 1, 1994)

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(ii)

NOBLE AFFILIATES
THRIFT AND PROFIT SHARING PLAN
(AS AMENDED AND RESTATED EFFECTIVE AS OF JANUARY 1, 1994)

THIS THRIFT AND PROFIT SHARING PLAN, made and executed by NOBLE AFFILIATES, INC., a Delaware corporation (the "Company"),

W I T N E S S E T H:

WHEREAS, the Company has heretofore established for the benefit of its employees a qualified profit sharing plan known as the Noble Affiliates Thrift and Profit Sharing Plan, which was amended and restated in its entirety effective as of January 1, 1988; and

WHEREAS, the Company now desires to continue said profit sharing plan without interruption by amending and restating its plan document in its entirety to update its language, make certain changes and incorporate prior amendments;

NOW, THEREFORE, in consideration of the premises and pursuant to Section 8.1 thereof, the Noble Affiliates Thrift and Profit Sharing Plan is hereby amended and restated in its entirety to read as follows:

ARTICLE I.
DEFINITIONS AND CONSTRUCTION

Section 1.1 DEFINITIONS. Unless the context clearly indicates otherwise, when used in this Plan:

(a) "Affiliated Company" means any corporation or organization, other than an Employer, which is a member of a

controlled group of corporations (within the meaning of Section 414(b) of the Code) or of an affiliated service group (within the meaning of Section 414(m) of the Code) with respect to which an Employer is also a member, and any other incorporated or unincorporated trade or business which along with an Employer is under common control (within the meaning of the regulations from time to time promulgated by the Secretary of the Treasury pursuant to Section 414(c) of the Code); provided, however, that for the purposes of Section 10.3 of the Plan, Section 414(b) and (c) of the Code shall be applied as modified by Section 415(h) of the Code.

(b) "After-Tax Account" means the account established and

maintained under this Plan by the Committee to record a Participant's interest under this Plan attributable to amounts credited to his or her After-Tax Account under the Previous Plan as in effect on December 31, 1993.

(c) "Basic Compensation" means the cash remuneration, including overtime, payable by an Employer to an Employee for personal services rendered to the Employer prior to reduction for any Pre-Tax Contributions made by such Employer to this Plan on behalf of such Employee and prior to reduction for any compensation reduction amounts elected by such Employee for benefits pursuant to the Noble Affiliates, Inc. Cafeteria Plan, but excluding incentive payments, bonuses, allowances, commissions, deferred compensation payments and any other extraordinary remuneration; provided, however, that the Basic Compensation

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of an Employee taken into account under the Plan for any Plan Year commencing after December 31, 1993 shall not exceed \$150,000 (as adjusted to take into account any cost-of-living increases authorized pursuant to the Section 401(a)(17)(B) of the Code). In determining the Basic Compensation of an Employee, the rules of Section 414(q)(6) of the Code shall apply, except that in applying such rules, the term "family" shall include only the spouse of the Employee and any lineal descendants of the Employee who have not attained age 19 prior to the end of the Plan Year.

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

(e) "Committee" means the Employee Benefits Committee appointed by the Board of Directors of the Company to administer the Plan.

(f) "Company" means Noble Affiliates, Inc.

(g) "Company Stock" means the common stock of Noble Affiliates, Inc.

(h) "Compensation" means the sum of (i) the Total Compensation paid by an Employer to an Employee, (ii) any Pre-Tax Contributions made by an Employer to this Plan on behalf of such Employee, and (iii) any salary reduction amounts elected by such Employee for the purchase of benefits pursuant to a cafeteria plan (within the meaning of Section 125(d) of the Code) maintained by an Employer; provided, however, that except for purposes of determining whether an Employee is a Highly Compensated Employee, the

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Compensation of an Employee taken into account under the Plan for any Plan Year commencing after December 31, 1993 shall not exceed \$150,000 (as adjusted to take into account any cost-of-living increases authorized pursuant to Section 401(a)(17)(B) of the Code).

(i) "Covered Employee" means any Employee other than an Employee who is a member of a collective bargaining unit with which an Employer negotiates and with respect to whom no coverage under this Plan has been provided by collective bargaining agreement.

(j) "Discretionary Contribution" means a contribution made by an Employer to this Plan pursuant to Section 3.3.

(k) The "Early Retirement Date" of a Participant means the day such Participant has both attained the age of 55 years and completed a five-year Period of Service.

(l) "Employee" means any individual employed by an Employer.

(m) "Employer" shall include the Company, Samedan Oil

Corporation, Noble Gas Marketing, Inc. and any other incorporated or unincorporated trade or business which may subsequently adopt this Plan with the consent of the Board of Directors of the Company.

(n) "Employer Matching Account" means the account established and maintained under this Plan by the Committee to record a Participant's interest under this Plan attributable to contributions made by an Employer for such Participant pursuant to Sections 3.2 and 3.3, forfeitures

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applied pursuant to Section 3.7 and amounts credited to his or her Employer Matching Account under the Previous Plan as in effect on December 31, 1993.

(o) "Employment Date" means the date an Employee first performs an Hour of Service.

(p) "Highly Compensated Employee" means for a Plan Year:

(1) any Employee who during such Plan Year or the preceding Plan Year was at any time a 5-percent owner (within the meaning of Section 416(i)(1) of the Code) of an Employer or Affiliated Company;

(2) any Employee who during the preceding Plan Year received Compensation greater than \$75,000 (as adjusted to take into account any cost-of-living increases authorized pursuant to Section 414(q)(1) of the Code);

(3) any Employee who during the preceding Plan Year received Compensation greater than \$50,000 (as adjusted to take into account any cost-of-living increases authorized pursuant to Section 414(q)(1) of the Code) and is in the group consisting of the top 20% (when ranked on the basis of Compensation received during the preceding Plan Year) of all Employees, except those excluded pursuant to Section 414(q)(8) of the Code;

(4) any Employee who during the preceding Plan Year, subject to the requirements of Section 414(q)(5)

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of the Code, was at any time an officer of an Employer or Affiliated Company and received Compensation greater than 50% of the amount in effect under Section 415(b)(1)(A) of the Code for the preceding Plan Year;

(5) any Employee who is one of the 100 Employees who received the greatest Compensation during such Plan Year and is described in paragraph (2), (3) or (4) above if such paragraph is applied by substituting such Plan Year for the preceding Plan Year; or

(6) any former Employee who was a Highly Compensated Employee either at the time of separation from employment or at any time after attaining age 55.

Solely for purposes of this definition, (i) an employee of an Affiliated Company shall be deemed to be an Employee, (ii) compensation received from an Affiliated Company shall be deemed to be Compensation, and (iii) if for a Plan Year any Employee is a member of the family (meaning the spouse and lineal ascendants or descendants and the spouses of such lineal ascendants or descendants) of a Highly Compensated Employee who is either a 5-percent owner (as described in paragraph (1) above) or in the group consisting of the 10 Highly Compensated Employees who received

the greatest Compensation during such Plan Year, then for such Plan Year such Employee shall not be considered a separate Employee and the Compensation received by such Employee shall be treated as if it were received by such Highly Compensated Employee.

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(q) "Hour of Service" means an hour for which an Employee is directly or indirectly compensated or entitled to compensation (including back pay, regardless of mitigation of damages) by an Employer for the performance of duties for an Employer or for reasons (such as vacation, sickness or disability) other than the performance of duties for an Employer. In addition, an Employee will be credited with 8.5 Hours of Service per day, subject to a maximum of 45 hours per week and 195 hours per calendar month, for any customary work period during which such Employee is on leave of absence authorized by his or her Employer. Leaves of absence shall be granted by an Employer to its Employees on a uniform, nondiscriminatory basis. An Employee's Hours of Service shall be credited to the appropriate Plan Years or eligibility computation period determined in accordance with the provisions of Section 2530.200b-2(b) and (c) of the Department of Labor Regulations, which are incorporated herein by this reference. In determining Hours of Service for the purposes of this Plan, periods of employment by an Affiliated Company and periods of employment as a leased employee (within the meaning of Section 414(n) of the Code) of an Employer or Affiliated Company shall be deemed to be periods of employment by an Employer. In lieu of maintaining detailed daily records of the Hours of Service to be credited to salaried Employees whose hours are not required to be counted and recorded by a separate federal statute such as the Fair Labor Standards Act, for purposes

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of this Plan each such Employee shall be credited with 45 Hours of Service for each week during which such Employee would otherwise be required to be credited with at least one Hour of Service under the foregoing provisions of this definition.

(r) "Investment Fund" means any fund authorized for the investment of Trust assets pursuant to Section 4.2.

(s) "Matching Contribution" means a contribution made by an Employer to this Plan pursuant to Section 3.2.

(t) The "Normal Retirement Date" of a Participant means the day such Participant attains the age of 65 years.

(u) "One Year Break in Service" means a 12 consecutive month Period of Severance during which an Employee fails to complete a single Hour of Service.

(v) "Participant" means any individual who was a participant in the Previous Plan or has elected to participate in this Plan pursuant to Section 2.2, and whose Vested Interest under this Plan has not been fully distributed.

(w) "Period of Service" means, for purposes of determining a Participant's Vested Interest in his or her Employer Matching Account, the sum, rounded downward to the nearest whole year, of each period of time commencing with an Employee's Employment Date or Reemployment Date and ending on the first date thereafter a Period of Severance begins (except as provided in subsection (x) of this Section in the case of an Employee's maternity or paternity leave of

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absence). Included in such sum to be credited to an Employee shall be each period of time during which the Employee is on an authorized leave of absence for reasons of vacation, sickness, layoff or another occasion designated and applied by an Employer or Affiliated Company on a nondiscriminatory basis, but in no event exceeding one year in length. A Period of Service also includes any Period of Severance of less than 12 consecutive months. If an Employee who has no vested right to any amount credited to his or her Employer Matching Account incurs a One Year Break in Service, such Employee shall forfeit his or her prior Period of Service unless he or she completes an additional one-year Period of Service before the number of his or her consecutive One Year Breaks in Service equals five.

(x) "Period of Severance" means a period of time commencing with the date an Employee ceases to be employed by an Employer or Affiliated Company for reasons of Retirement, Permanent Disability, death, being discharged, or voluntarily ceasing employment, or with the first anniversary of the date of his or her absence for any other reason, and ending with the date such Employee resumes employment with an Employer or Affiliated Company; provided, however, that the Period of Severance of an Employee who is absent from work due to the pregnancy of the Employee, the birth of a child of the Employee, the placement of a child with the Employee in connection with the adoption of such child by such Employee, or caring for such child for a

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period beginning immediately following such birth or placement shall not commence until the second anniversary of the first date of such absence and the period between the first and second anniversaries of the first date of such absence shall be considered neither a Period of Service nor a Period of Severance.

(y) "Permanent Disability" means the total and permanent incapacity of a Participant to perform the usual duties of his or her employment with an Employer or Affiliated Company as determined by the Committee. Such incapacity shall be deemed to exist when certified by a physician acceptable to the Committee.

(z) "Plan" means this Noble Affiliates Thrift and Profit Sharing Plan effective as of January 1, 1994, and as from time to time in effect thereafter.

(aa) "Plan Year" means the calendar year.

(bb) "Pre-Tax Account" means the account established and maintained under this Plan by the Committee to record a Participant's interest under this Plan attributable to contributions made by an Employer on behalf of such Participant pursuant to Section 3.1 and amounts credited to his or her Pre-Tax Account under the Previous Plan as in effect on December 31, 1993.

(cc) "Pre-Tax Contribution" means a contribution made by an Employer to this Plan on behalf of a Participant pursuant to Section 3.1.

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(dd) "Previous Plan" means the Noble Affiliates Thrift and Profit Sharing Plan as in effect from time to time prior to January 1, 1994.

(ee) "Qualified Deferral Agreement" means an agreement between and Employer and a Participant whereby the Participant agrees to reduce Basic Compensation or forego an increase in Basic Compensation for the purposes of Section 401(k) of the Code, and the Employer agrees to contribute the amount of said reduction or foregone Basic Compensation to the Plan on behalf of the Participant.

(ff) "Reemployment Date" means the date an Employee first performs an Hour of Service following a Period of Severance.

(gg) "Retirement" means the termination of a Participant's employment with an Employer or Affiliated Company on or after his or her Early or Normal Retirement Date for any reason other than death or transfer to the employ of another Employer or Affiliated Company.

(hh) "Rollover Account" means the account established and maintained under this Plan by the Committee to record a Participant's interest under this Plan attributable to Rollover Property contributed by such Participant to this Plan pursuant to Section 3.8.

(ii) "Rollover Property" means property the value of which would be excluded from the gross income of the transferor under Section 402(c), 403(a)(4) or 408(d)(3) of the Code if transferred to the Plan.

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(jj) "Total Compensation" means wages within the meaning of Section 3401(a) of the Code and all other payments of remuneration to an Employee by an Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Sections 6041(d), 6051(a)(3) and 6052 of the Code, but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Section 3401(a)(2) of the Code); provided, however, that for purposes of Section 9.2, the Total Compensation of an Employee taken into account under the Plan for any Plan Year commencing after December 31, 1993 shall not exceed \$150,000 (as adjusted to take into account any cost-of-living increases authorized pursuant to Section 401(a)(17)(B) of the Code).

(kk) "Trust" means the trust fund established pursuant to Section 4.1.

(ll) "Trustee" means the individual or corporate trustee or trustees from time to time appointed and acting as trustee or trustees of the Trust established pursuant to the Plan.

(mm) The "Vested Interest" of a Participant means the then vested portion of the amount credited to the Accounts of such Participant at the particular point in time in question.

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(nn) "Year of Eligibility Service" means the period of 12 consecutive months commencing on an Employee's Employment Date, or any Plan Year commencing after his or her Employment Date, during which such Employee completes at least 1,000 Hours of Service.

Section 1.2 CONSTRUCTION. The titles to the Articles and the headings of the Sections in this Plan are placed herein for convenience of reference only and in case of any conflict the text of this instrument, rather than such titles or headings, shall control. Whenever a noun or pronoun is used in this Plan in plural form and there be only one person or entity within the scope of the word so used, or in singular form and there be more than one person or entity within the scope of the word so used, such noun or pronoun shall have a plural or singular meaning as appropriate under the circumstance.

ARTICLE II.

ELIGIBILITY AND PARTICIPATION

Section 2.1 ELIGIBILITY. Each Covered Employee who is a participant in the Previous Plan on December 31, 1993, shall be eligible to participate in this

Plan as of January 1, 1994. Each other Covered Employee shall be eligible to participate in this Plan on the first day of any calendar month coinciding with or following the anniversary of his or her Employment Date as of which he or she has completed a Year of Eligibility Service, provided such person is a Covered Employee on such date. If he or she is not a Covered Employee on such date but is subsequently

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reemployed as a Covered Employee, then such person shall be eligible to participate in this Plan as of the date of such reemployment. If a Participant ceases to be a Covered Employee, such Participant shall remain a Participant under this Plan but no contributions shall be made to the Plan on his or her behalf while he or she is not a Covered Employee.

Section 2.2 PARTICIPATION. Each Covered Employee who meets the eligibility requirements of Section 2.1 may elect, on a form prescribed by the Committee, to participate in this Plan on the first day of any calendar month coinciding with or following the filing of such election. Any Participant who ceases to be a Covered Employee shall thereupon cease to participate in the Plan; provided, however, that if any such Participant is thereafter reemployed as a Covered Employee, he or she shall be eligible to elect to resume participating in the Plan as of the date of such reemployment.

ARTICLE III.

CONTRIBUTIONS, ALLOCATIONS AND FORFEITURES

Section 3.1 PRE-TAX CONTRIBUTIONS. Each Participant may elect to have his or her Employer make a Pre-Tax Contribution to the Plan for each pay period in an amount equal to a whole percentage, not in excess of 10%, of his or her Basic Compensation for that pay period. All such contributions shall be made by uniform payroll deductions pursuant to a Qualified Deferral Agreement which authorizes the Employer to pay such contributions to the Trustee on behalf of the Participant. A

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Participant may change the applicable percentage of such payroll deductions as of the first day of any month (or as of such other date the Committee may authorize for the purposes of this Section), or at any time suspend his or her election to have Pre-Tax Contributions made to the Plan, provided (i) that written notice of such change or suspension is delivered to the Committee within such reasonable period of time prior to the effective date thereof as the Committee may require, and (ii) that no Participant may make such a change or suspension more than twice during any Plan Year. If a Participant suspends his or her election to have Pre-Tax Contributions made to the Plan, such Participant shall be eligible to reelect to have Pre-Tax Contributions made to the Plan prior to the first day of the month coinciding with or following the expiration of six months after the effective date of such suspension. Any provision of this Plan to the contrary notwithstanding, the amount of Pre-Tax Contributions made to the Plan pursuant to this Section on behalf of the Participant shall not exceed \$7,000 (as adjusted to take into account any cost-of-living increases authorized pursuant to Section 402(g) of the Code) for any calendar year. An Employer may amend or revoke any Participant's Qualified Deferral Agreement at any time during a Plan Year if such amendment or revocation is deemed by such Employer to be necessary or appropriate to ensure that the requirements of Section 3.6 are met for such year.

Section 3.2 MATCHING CONTRIBUTIONS. In addition to the contributions made pursuant to Section 3.1, for each pay period

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an Employer shall make a Matching Contribution to the Plan for each Participant in the following amount:

(a) for each Participant having less than a 15-year Period of Service at the end of such pay period, an amount equal to 70% of the portion of the Pre-Tax Contribution made by such Employer on behalf of such Participant for such period which does not exceed 6% of his or her Basic Compensation for such period; and

(b) for each Participant having a 15-year or more Period of Service at the end of such pay period, an amount equal to 100% of the portion of the Pre-Tax Contribution made by such Employer on behalf of such Participant for such period which does not exceed 6% of his or her Basic Compensation for such period.

Section 3.3 DISCRETIONARY CONTRIBUTIONS. In addition to Pre-Tax and Matching Contributions, an Employer by action of its President may elect for any Plan Year to make a Discretionary Contribution to the Plan in an amount to be determined by the President.

Section 3.4 PAYMENT OF CONTRIBUTIONS. The Pre-Tax Contributions made to the Plan by an Employer for a pay period shall be paid to the Trustee in cash no later than 30 days after the end of the month in which such pay period ends. Except as otherwise provided in this Section, the Matching Contributions made to the Plan by an Employer for a pay period shall be paid to the Trustee in cash no later than 30 days after the end of the month in which such pay period ends. Any Matching Contributions

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an Employer is required to make by Section 3.2 and the Discretionary Contributions made to the Plan by an Employer for a Plan Year shall be paid to the Trustee in cash no later than the time prescribed by law, including extensions thereof, for the filing of the Employer's federal income tax return for such year.

Section 3.5 RETURN OF EMPLOYER CONTRIBUTIONS. Contributions made to this Plan are conditioned upon being currently deductible under Section 404 of the Code. Any provision of this Plan to the contrary notwithstanding, upon an Employer's request, any such contribution or portion thereof made to this Plan by such Employer which (i) was made under a mistake of fact which is subsequently discovered, or (ii) is disallowed as a deduction under Section 404 of the Code, shall be returned to such Employer to the extent not previously distributed to Participants or their beneficiaries; provided, however, that the amounts returnable to an Employer pursuant to this Section shall be reduced by any Trust losses allocable thereto and shall be returned to such Employer only if such return is made within one year after the mistaken payment of the contribution or the date of the disallowance of the deduction, as the case may be. Except as provided in this Section, no contribution made by an Employer pursuant to this Plan shall ever revert to or be recoverable by any Employer.

Section 3.6 ALLOCATION OF CONTRIBUTIONS.

(a) The Committee shall establish and maintain an After-Tax Account, a Pre-Tax Account and an Employer Matching Account for each Participant. All amounts

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attributable to after-tax contributions made by a Participant pursuant to the Previous Plan shall be credited to such Participant's After-Tax Account. All amounts attributable to pre-tax contributions made by an Employer for a Participant pursuant to the Previous Plan and all Pre-Tax Contributions made by an Employer on behalf of such Participant pursuant to Section 3.1 shall be credited to such Participant's Pre-Tax Account. All amounts attributable to matching contributions made by an Employer for a Participant pursuant to the Previous Plan and all Matching Contributions

made by an Employer for such Participant pursuant to Section 3.2, along with any forfeitures applied pursuant to Section 3.7 to reduce a Matching Contribution which would otherwise have been made for such Participant, shall be credited to such Participant's Employer Matching Account. Any Discretionary Contribution made by an Employer pursuant to Section 3.3 for a Plan Year shall be allocated among and credited to the Employer Matching Accounts of those Participants who were in the employ (or on authorized leave of absence from) an Employer or Affiliated Company on the last day of such Plan Year, or whose Retirement, Permanent Disability or death occurred during that year while in the employ of (or on authorized leave of absence from) an Employer or Affiliated Company, in the proportion that the Compensation of each such Participant while both a Participant and a Covered Employee during that year bears to the Compensation of all

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such Participants while both Participants and Covered Employees during that year.

(b) Any provision of this Plan to the contrary notwithstanding, if for any Plan Year the actual deferral percentage for the group of Highly Compensated Employees eligible to elect to have Pre-Tax Contributions made during such Plan Year fails to satisfy one of the following tests:

(1) the actual deferral percentage for said group of Highly Compensated Employees is not more than the actual deferral percentage for all other Employees eligible to elect to have Pre-Tax Contributions made during such Plan Year multiplied by 1.25, or

(2) the excess of the actual deferral percentage for said group of Highly Compensated Employees over the actual deferral percentage for all other Employees eligible to elect to have Pre-Tax Contributions made during such Plan Year is not more than two percentage points and the actual deferral percentage for said group of Highly Compensated Employees is not more than the actual deferral percentage for all other Employees eligible to elect to have Pre-Tax Contributions made during such Plan Year multiplied by two,

then the actual deferral percentage of Participants who are members of said group of Highly Compensated Employees shall be reduced by reducing the Pre-Tax Contributions made for such Plan Year on behalf of the Highly Compensated Employees with the largest individual actual deferral percentages to

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the largest uniform actual deferral percentage (commencing with the Highly Compensated Employee with the largest actual deferral percentage and reducing his or her actual deferral percentage to the extent necessary to satisfy one of the above tests or to lower such actual deferral percentage to the actual deferral percentage of the Highly Compensated Employee with the next highest actual deferral percentage, and repeating this process as necessary) that permits the actual deferral percentage for said group of Highly Compensated Employees to satisfy one of said tests. For purposes of this subsection (b), the term "actual deferral percentage" for a specified group of Employees for a Plan Year means the average of the ratios (calculated separately for each Employee in such group) of (i) the aggregate amount of Pre-Tax Contributions made to the Plan on behalf of each such Employee for that year, to (ii) the amount of such Employee's Compensation for that year. Any portion of a Pre-Tax Contribution made on behalf of a Participant which cannot be credited to the Pre-Tax Account of such Participant for a Plan Year because of the limitation contained in this subsection (b) (along with any income allocable thereto) shall be distributed to such Participant no later than 2 1/2 months after the end of such year. If any portion of a Pre-Tax Contribution made by an Employer on behalf of a Participant is distributed to such Participant pursuant to the foregoing sentence, any portion of a Matching Contribution

(along with any income allocable

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thereto) made for such Participant that matches the distributed Pre-Tax Contribution shall be forfeited. If for a Plan Year the Compensation received by an Employee eligible to elect to have Pre-Tax Contributions made during such Plan Year is treated pursuant to Section 1.1(p) as Compensation received by a Highly Compensated Employee eligible to elect to have Pre-Tax Contributions made during such Plan Year, then this subsection (b) shall be applied to such Employees for such Plan Year in accordance with regulations under Section 401(k) of the Code.

(c) Any provision of this Plan to the contrary notwithstanding, if for any Plan Year the contribution percentage for the group of Highly Compensated Employees eligible to receive an allocation of Matching Contributions for such Plan Year fails to satisfy one of the following tests:

(1) the contribution percentage for said group of Highly Compensated Employees is not more than the contribution percentage for all other Employees eligible to receive an allocation of Matching Contributions for such Plan Year multiplied by 1.25, or

(2) the excess of the contribution percentage for said group of Highly Compensated Employees over the contribution percentage for all other Employees eligible to receive an allocation of Matching Contributions for such Plan Year is not more than two percentage points and the contribution percentage for

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said group of Highly Compensated Employees is not more than the contribution percentage for all other Employees eligible to receive an allocation of Matching Contributions for such Plan Year multiplied by two,

then the contribution percentage for Participants who are members of said group of Highly Compensated Employees shall be reduced by reducing the Matching Contributions made for such Plan Year for the Highly Compensated Employees with the largest individual contribution percentages to the largest uniform contribution percentage (commencing with the Highly Compensated Employee with the largest contribution percentage and reducing his or her contribution percentage to the extent necessary to satisfy one of the above tests or to lower such contribution percentage to the contribution percentage of the Highly Compensated Employee with the next highest contribution percentage, and repeating this process as necessary) that permits the contribution percentage for said group of Highly Compensated Employees to satisfy one of said tests. For purposes of this subsection (c), the term "contribution percentage" for a specified group of Employees for a Plan Year means the average of the ratios (calculated separately for each Employee in such group and after application of subsection (b) of this Section) of (i) the aggregate amount of Matching Contributions (and at the election of the Company, the Pre-Tax Contributions) made to the Plan for or on behalf of each such Employee for that year, to (ii) the amount of such Employee's Compensation for

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that year. Any portion of a Matching Contribution made for a Participant which cannot be credited to the Employer Matching Account of such Participant for a Plan Year because of the limitation contained in this subsection (c) (along with any income allocable thereto) shall be

forfeited if forfeitable, but if not forfeitable, distributed to such Participant no later than 2 1/2 months after the end of such year. If for a Plan Year the Compensation received by an Employee eligible to receive an allocation of Matching Contributions for such Plan Year is treated pursuant to Section 1.1(p) as Compensation received by a Highly Compensated Employee eligible to receive an allocation of Matching Contributions for such Plan Year, then this subsection (c) shall be applied to such Employees for such Plan Year in accordance with regulations under Section 401(m) of the Code.

(d) Any provision of this Plan to the contrary notwithstanding, in addition to the above limitations of this Section, the sum of the actual deferral percentage and the contribution percentage for the group of Highly Compensated Employees as determined pursuant to and after application of subsections (b) and (c) of this Section shall not exceed the "aggregate limit." The "aggregate limit" shall be equal to the greater of:

(1) the sum of: (i) 1.25 times the greater of the relevant actual deferral percentage or the relevant contribution percentage, and (ii) two percentage points

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plus the lesser of the relevant actual deferral percentage or the relevant contribution percentage, provided that the amount in this clause (ii) shall not exceed twice the lesser of the relevant actual deferral percentage or the relevant contribution percentage; or

(2) the sum of: (i) 1.25 times the lesser of the relevant actual deferral percentage or the relevant contribution percentage, and (ii) two percentage points plus the greater of the relevant actual deferral percentage or the relevant contribution percentage, provided that the amount in this clause (ii) shall not exceed twice the greater of the relevant actual deferral percentage or the relevant contribution percentage.

The "relevant actual deferral percentage" means the actual deferral percentage determined pursuant to subsection (b) of this Section for the group of Employees who are not Highly Compensated Employees. The "relevant contribution percentage" means the contribution percentage determined pursuant to subsection (c) of this Section for the group of Employees who are not Highly Compensated Employees. In the event that the aggregate limit is exceeded in any year, then the actual deferral percentage and/or contribution percentage for Participants who are members of the group of Highly Compensated Employees shall be reduced by reducing first any Pre-Tax Contributions and then any Matching Contributions made for such Plan Year for or on behalf of

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the Highly Compensated Employees with the largest individual actual deferral percentages and/or contribution percentages to the largest uniform actual deferral percentage and/or contribution percentage (commencing with the Highly Compensated Employee with the largest actual deferral percentage and/or contribution percentage and reducing his or her actual deferral percentage and/or contribution percentage to the extent necessary to satisfy the above restrictions or to lower such actual deferral percentage and/or contribution percentage to the actual deferral percentage and/or contribution percentage of the Highly Compensated Employee with the next highest actual deferral percentage and/or contribution percentage, and repeating this process as necessary) that permits the sum of the actual deferral percentage and contribution percentage for said group of Highly Compensated Employees to satisfy the above restrictions. If any portion of a Pre-Tax Contribution made on behalf of a Participant is distributed to such Participant pursuant to this subsection, any portion of a Matching Contribution (along with any

income allocable thereto) made for such Participant that matches the distributed Pre-Tax Contribution shall be forfeited. Any additional Matching Contributions made for a Participant which cannot be credited to the Employer Matching Account of such Participant for a Plan Year because of the limitation contained in this subsection (along with any income allocable thereto) shall be forfeited if forfeitable, but if

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not forfeitable, distributed to such Participant within 2 1/2 months after the end of such year. If for a Plan Year the Compensation received by an Employee is treated pursuant to Section 1.1(p) as Compensation received by a Highly Compensated Employee, then this subsection shall be applied to such Employees for such Plan Year in accordance with regulations under Section 401(k) and (m) of the Code.

Section 3.7 APPLICATION AND ALLOCATION OF FORFEITURES. As soon as practicable after the valuation of all Accounts at the end of each Plan Year, all amounts forfeited during that Plan Year shall first be applied to restore any forfeited Employer Matching Accounts with respect to which a repayment has been made pursuant to Section 6.5(b) or 6.6, and any forfeitures in excess of the amount needed to restore any such Account shall be applied to reduce the amount of the earliest subsequent contributions an Employer would otherwise be required to make to the Plan pursuant to Section 3.2.

Section 3.8 ROLLOVER CONTRIBUTIONS. With the consent of the Committee, any Covered Employee (regardless of whether he or she is a Participant) may contribute Rollover Property in the form of cash to the Plan. Each contribution of Rollover Property shall be credited to a separate Rollover Account to be established and maintained for the benefit of the contributing Employee. An Employee who is not a Participant, but for whom a Rollover Account is being maintained, shall be accorded all of the rights and privileges of a Participant under the Plan except that no contributions (other than contributions of Rollover

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Property) shall be made for or on behalf of such Employee until he or she meets the eligibility and participation requirements of Article II.

ARTICLE IV.

TRUST FUND

Section 4.1 TRUST AND TRUSTEE. All of the contributions paid to the Trustee pursuant to this Plan and the Previous Plan, together with the income therefrom and the increments thereof, shall be held in trust by the Trustee under the terms and provisions of the separate trust agreement between the Trustee and the Company, a copy of which is attached hereto and incorporated herein by this reference for all purposes, establishing a trust fund known as the NOBLE AFFILIATES THRIFT AND PROFIT SHARING TRUST for the exclusive benefit of the Participants and their beneficiaries.

Section 4.2 TRUST INVESTMENT OPTIONS. For investment purposes the Trust shall be divided into separate and distinct Investment Funds A, B, M, N and I as follows:

(a) Investment Fund A shall be a common fund invested in United States government securities (meaning obligations which are either direct obligations of the United States of America or are fully guaranteed as to principal at maturity and interest by the United States of America and securities of agencies of the United States of America, including, without limitation, Federal Intermediate Credit Banks, Federal Home Loan Banks, Federal Land Banks and the Federal

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National Mortgage Association), corporate bonds at least 80% of which shall have a rating within the three highest ratings of at least two recognized securities ratings services, corporate preferred stocks having a rating within the four highest ratings of at least two recognized securities ratings services, commercial paper, certificates of deposit or savings accounts. Interest received and gains realized on securities held in Investment Fund A shall be similarly invested in such securities.

(b) Investment Fund B shall be a common fund invested in readily marketable common stocks or other readily marketable securities including stocks, commercial paper, certificates of deposit or savings accounts. Dividends received and gains realized on the securities held in Investment Fund B shall be similarly invested in said stocks or securities.

(c) Investment Fund M shall be a common fund invested in a broadly diversified portfolio of high-yielding securities, including common stocks, preferred stocks and bonds. Dividends received and gains realized on the securities held in Investment Fund M shall be similarly invested in such securities.

(d) Investment Fund N shall be a common fund invested in Company Stock. Dividends and other amounts received with respect to Company Stock held in Investment Fund N shall be invested in Company Stock.

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(e) Investment Fund I shall be a common fund invested in short-term United States securities, certificates of deposits or high-grade commercial paper, or funds investing solely in such items, selected by the Trustee or investment manager. Interest received and gains realized on securities held in Investment Fund I shall be similarly invested in such securities.

Upon becoming a Participant in the Plan each Participant shall direct, on a form prescribed by and filed with the Committee, that the contributions made to the Plan for or on behalf of such Participant shall be invested, in such multiples as the Committee shall prescribe, in one or more of the Investment Funds. A Participant may change his or her investment direction with respect to either future contributions or Account balances at the end of any month, provided that (i) written notice of such change is delivered to the Committee within such reasonable period of time prior to the effective date thereof as the Committee may require, (ii) not more than six changes with respect to future contributions may be made by a Participant during any Plan Year; provided, however, that not more than four such changes may be made during the first six months of the Plan Year and not more than five such changes may be made during the first nine months of the Plan Year, and (iii) not more than six changes with respect to Account balances may be made by a Participant during any Plan Year; provided, however, that not more than four such changes may be made during the first six months of the Plan Year

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and not more than five such changes may be made during the first nine months of the Plan Year.

ARTICLE V.

VESTING

Section 5.1 FULLY VESTED ACCOUNTS. The amounts credited to a Participant's Pre-Tax Account, After-Tax Account and Rollover Account shall be fully vested at all times.

Section 5.2 DISABILITY OR DEATH VESTING. In the event of the occurrence of a Participant's Permanent Disability or death while in the employ of (or on authorized leave of absence from) an Employer or Affiliated Company, the amount credited to the Participant's Employer Matching Account shall be fully vested.

Section 5.3 PERIOD OF SERVICE OR AGE VESTING. Unless sooner vested pursuant to Section 5.2:

(a) The amount credited to the Employer Matching Account of a Participant who completes an Hour of Service after December 31, 1987 shall vest in accordance with the following schedule:

PERIOD OF SERVICE COMPLETED BY PARTICIPANT -----	PERCENTAGE VESTED -----
Less than 5 years	None
5 or more years	100%

(b) The amount credited to the Employer Matching Account of a Participant who does not complete an Hour of Service after December 31, 1987 shall vest in accordance with the Previous Plan as in effect on December 31, 1987.

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Subject to Section 6.5(b), if a Participant's Employer Matching Account is not vested, it shall be forfeited upon the date such Participant incurs five consecutive One Year Breaks in Service. The foregoing provisions of this Section to the contrary notwithstanding, the amount credited to the Employer Matching Account of a Participant who is credited with an Hour of Service on or after the date he or she attains age 65 shall be fully vested.

ARTICLE VI.

VALUATIONS AND DISTRIBUTIONS

Section 6.1 VALUATION AND ADJUSTMENT OF ACCOUNTS. At the end of each calendar month (and at such other times as the Committee shall direct pursuant to this Section) the Trustee shall determine the fair market value of all assets of the Trust, with the value of the assets of each Investment Fund being separately determined. On the basis of such valuations, and in accordance with such procedures as may be specified by the Committee, the portion of each Participant's Account invested in a particular Investment Fund shall be adjusted by the Committee to reflect its proportionate share of the income collected and accrued, realized and unrealized profits and losses, expenses and all other Trust transactions attributable to that particular Investment Fund for the valuation period then ended. Distributions and withdrawals from the Trust and changes in investment direction shall normally be made on the basis of Account balances as of the end of the month during which occurs

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the event giving rise to the distribution, withdrawal or reinvestment; provided, however, that if between monthly valuation dates a substantial change in the value of the assets of the Trust occurs which, in the opinion of the Committee, requires an intermediate valuation of the assets of the Trust to protect the beneficial interests of the Participants in connection with a distribution, withdrawal or reinvestment, then the Committee may direct the Trustee to determine the fair market value of the assets of the Trust as of the intermediate valuation date specified by the Committee and make any appropriate adjustments for such short valuation period to the Account or Accounts to be

distributed, withdrawn or reinvested.

Section 6.2 TIME AND FORM OF DISTRIBUTION. Distribution to a Participant or beneficiary under this Article shall be made no later than 60 days after the end of the Plan Year during which such Participant or beneficiary becomes entitled to distribution pursuant to this Article. In addition and any provision of this Plan to the contrary notwithstanding, distribution to a Participant under the Plan shall be made or commence being made no later than April 1 of the calendar year following the calendar year in which the the Participant attains age 70 1/2. Distributions that commence being made pursuant to the the preceding sentence to a Participant who has not separated from the employment of an Employer or Affiliated Company shall be equal to the minimum amounts required to be distributed pursuant to Section 401(a)(9) of the Code and the regulations thereunder, without recalculation of life expectancy and as if the Participant had no designated

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beneficiary. All distributions and withdrawals under this Article shall be made in cash; provided, however, that a Participant shall have the right to elect on a form prescribed by the Committee to receive Company Stock (or Noble Drilling Corporation common stock, if and to the extent such Participant's accounts in Investment Fund N include shares of Noble Drilling Corporation common stock), with cash in lieu of fractional shares, for any distribution or withdrawal from his or her Accounts to the extent invested in Investment Fund N.

Section 6.3 DISTRIBUTION OF RETIREMENT AND DISABILITY BENEFITS. Upon the Retirement or Permanent Disability of a Participant, the Vested Interest of such Participant shall be distributed to such Participant in a single distribution; provided, however, that no such distribution shall be made to a Participant prior to his or her attainment of age 65 unless (i) such Participant elects to receive such distribution, or (ii) the value of such distribution is not more than \$3,500.

Section 6.4 DISTRIBUTION OF DEATH BENEFIT. Upon the death of a Participant, the Vested Interest of such Participant shall be distributed by the Trustee at the direction of the Committee in a single distribution to such Participant's beneficiary or beneficiaries determined in accordance with this Section. Any amount payable under the Plan upon the death of a married Participant shall be distributed to the surviving spouse of such Participant unless such Participant designates otherwise with the written consent of his or her spouse which is witnessed by a member of the Committee or a notary public. Any amount payable

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under the Plan upon the death of a Participant who is not married or who is married but has designated, as provided above, a beneficiary other than his or her spouse, shall be distributed to the beneficiary or beneficiaries designated by such Participant. Such designation of beneficiary or beneficiaries shall be made in writing on a form prescribed by the Committee and, when filed with the Committee, shall become effective and remain in effect until changed by the Participant by the filing of a new beneficiary designation form with the Committee. If an unmarried Participant fails to so designate a beneficiary, or in the event all of a Participant's designated beneficiaries are individuals who predecease such Participant, then the Committee shall direct the Trustee to distribute the amount payable under the Plan to such Participant's surviving spouse, if any, but if none, to such Participant's estate. All distributions under this Section shall be made as soon as practicable following a Participant's death.

Section 6.5 DISTRIBUTION OF SEPARATION FROM EMPLOYMENT BENEFIT.

(a) If a Participant separates from the employment of an Employer or Affiliated Company for any reason other than his or her Retirement, Permanent Disability, death or transfer to the employment of another

Employer or Affiliated Company, the Accounts of such Participant shall be retained in trust and shall continue to be credited with applicable earnings as provided in Section 6.1, and the Vested Interest of such Participant shall be distributed to him or her by the Trustee at the direction of the Committee by payment of

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the entire amount in a single distribution as soon as practicable after the date as of which such Participant attains age 65 (or, if the Participant dies prior to such date, the Vested Interest of such Participant shall be distributed upon his or her death in accordance with Section 6.4); provided, however, that prior to the close of the second Plan Year following the Plan Year in which such separation from employment occurs (i) each such Participant shall have the right to elect on a form prescribed by the Committee to receive a cash-out distribution of his or her Vested Interest as soon as practicable and (ii) the Committee shall require a cash-out distribution of any such Participant's Vested Interest which does not exceed \$3,500.

(b) If a Participant who has no Vested Interest (determined for this purpose without regard to his or her Pre-Tax Account) separates from the employment of an Employer or Affiliated Company for any reason other than his or her Retirement, Permanent Disability, death or transfer to the employment of another Employer or Affiliated Company, such Participant shall be deemed to have received a cash-out distribution at the time of such separation from employment and his or her Employer Matching Account shall be forfeited at such time; provided, however, that if such Participant is reemployed as a Covered Employee prior to incurring five consecutive One Year Breaks in Service, the full amount forfeited from such Participant's Employer Matching Account shall be restored to such Account out of current-year

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forfeitures or, if such forfeitures are insufficient, by an additional Employer contribution. If a Participant who receives a cash-out distribution under subsection (a) of this Section has no vested right to any amount credited to his or her Employer Matching Account at the time of such distribution, unless previously forfeited such Account shall be forfeited at such time; provided, however, that if such Participant is reemployed as a Covered Employee prior to incurring five consecutive One Year Breaks in Service, the full amount forfeited from such Participant's Employer Matching Account shall be restored to such Account out of current-year forfeitures or, if such forfeitures are insufficient, by an additional Employer contribution. If a Participant who has not yet incurred five consecutive One Year Breaks in Service receives a distribution under subsection (a) of this Section on account of his or her attainment of age 65 and such Participant's Employer Matching Account is not vested at time of such distribution, unless previously forfeited such Account shall be forfeited upon the earlier of the date of such Participant's death or the date such Participant incurs five consecutive One Year Breaks in Service unless such Participant is reemployed by an Employer or Affiliated Company prior to such date.

Section 6.6 IN-SERVICE WITHDRAWALS. At the end of any month while in the employ of an Employer or Affiliated Company, a Participant may make:

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(a) A withdrawal of all or a portion (in multiples of 10% or in whole dollar amounts) of the total amount credited to his or her Employer Matching Account and/or After-Tax Account if he or she has completed a five-year Period of Service;

(b) A withdrawal of all or a portion (in multiples of 10% or in whole dollar amounts) of the amount credited to his or her Pre-Tax Account if he or she has attained the age of 59 1/2;

(c) A withdrawal of all or a portion (in multiples of 10% or in whole dollar amounts) of the amount credited to his or her Rollover Account; and

(d) A hardship withdrawal of (i) such amount of Pre-Tax Contributions credited to his or her Pre-Tax Account under this Plan or the Previous Plan after December 31, 1988, and (ii) such amount credited to his or her Pre-Tax Account under the Previous Plan as of December 31, 1988, as the Committee shall determine to be necessary to satisfy an immediate and heavy financial need of such Participant;

provided, however, that (i) no withdrawal may be made unless written notice of such withdrawal is delivered to the Committee by the withdrawing Participant within such period of time prior to the end of such month as the Committee may prescribe in its discretion, (ii) only one withdrawal under this Section may be made within any period of 24 consecutive months, and (iii) no withdrawal may be made by a Participant to whom a loan from the Trust is then outstanding unless the Committee is satisfied that

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such loan will remain nontaxable and fully secured by the withdrawing Participant's Vested Interest following such withdrawal. The Committee shall direct the Trustee to distribute any withdrawn amount to such Participant as soon as practicable after the valuation and adjustment of accounts at the end of said month.

A hardship withdrawal will be considered to be made on account of an immediate and heavy financial need of a Participant only if the Committee determines that such withdrawal is on account of (i) expenses for medical care described in Section 213(d) of the Code previously incurred by such Participant or his or her spouse or dependents (as defined in Section 152 of the Code) or necessary for such individuals to obtain such care, (ii) costs directly related to the purchase of a principal residence for such Participant (excluding mortgage payments), (iii) payment of tuition and related educational fees for the next 12 months of post-secondary education for such Participant or his or her spouse, children or dependents (as so defined), or (iv) payments necessary to prevent the eviction of such Participant from his or her principal residence or foreclosure on the mortgage of such residence. A hardship withdrawal will be considered to be necessary to satisfy an immediate and heavy financial need of a Participant only if the Committee determines that (i) the amount of such withdrawal is not in excess of the amount of such need plus any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the withdrawal, and (ii) such Participant has obtained all

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distributions and withdrawals, other than hardship withdrawals, and all nontaxable loans currently available under all plans maintained by the Employers. Any provision of this Plan to the contrary notwithstanding, if a Participant makes a hardship withdrawal, (i) no Pre-Tax Contributions shall be made on behalf of such Participant for 12 months after receipt of such withdrawal, and (ii) the Pre-Tax Contributions made on behalf of such Participant for the calendar year immediately following the calendar year of such withdrawal shall not exceed the amount by which the adjusted \$7,000 limit described in Section 3.1 for such next calendar year exceeds the amount of the Pre-Tax Contributions made on behalf of such Participant for the calendar year of such withdrawal.

Section 6.7 DISTRIBUTIONS TO MINORS AND PERSONS UNDER LEGAL DISABILITY.
If any distribution under the Plan becomes payable to a minor or other person

under a legal disability, such distribution shall be made to the duly appointed guardian or other legal representative of the estate of such minor or person under legal disability.

Section 6.8 PLAN LOANS. Subject to such conditions and limitations as the Committee may from time to time prescribe for application to all Participants and beneficiaries on a uniform basis, at the request of a Participant or beneficiary who is a party in interest (within the meaning of Section 3(14) of the Employee Retirement Income Security Act of 1974, as amended) as to the Plan (hereinafter called the "Borrower") the Committee shall direct the Trustee to loan to such Borrower from his or her

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Accounts an amount of money which, when added to the total outstanding balance of all other loans to such Borrower from the Trust or from a qualified employer plan (within the meaning of Section 72(p) of the Code) maintained by an Employer or Affiliated Company, does not exceed the lesser of (i) \$50,000 (reduced, however, by the excess, if any, of the highest total outstanding balance of all such other loans during the one-year period ending on the day before the date such loan is made, over the outstanding balance of all such other loans on the date such loan is made), or (ii) one-half of such Participant's Vested Interest under the Plan (or, in the case of a loan to a beneficiary, one-half of such beneficiary's Accounts). Any such loan made to a Borrower shall be evidenced by a promissory note payable to the Trustee, shall bear a reasonable rate of interest, shall be secured by one-half of the Participant's Vested Interest under the Plan (or, in the case of a loan to a beneficiary, one-half of such beneficiary's Accounts), shall be repayable in substantially equal payments no less frequently than quarterly and shall be repayable within five years. Any provision of this Plan to the contrary notwithstanding, the promissory note evidencing any such loan shall be held by the Trustee as a segregated investment allocated to and made solely for the benefit of the Account or Accounts of the Borrower from which such loan was made.

Section 6.9 QUALIFIED DOMESTIC RELATIONS ORDERS. Any provision of this Plan to the contrary notwithstanding:

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(a) The Committee shall establish and maintain for each alternate payee named with respect to a Participant under a domestic relations order which is determined by the Committee to be a qualified domestic relations order (as defined in Section 414(p) of the Code) such separate Accounts as the Committee may deem to be necessary or appropriate to reflect such alternate payee's interest in the Accounts of such Participant. Such alternate payee's Accounts shall be credited with the alternate payee's interest in the Participant's Accounts as determined under such qualified domestic relations order. The alternate payee may change investment direction with respect to his or her Account balances in accordance with Section 4.2 in the same manner as the Participant.

(b) Except to the extent otherwise provided in the qualified domestic relations order naming an alternate payee with respect to a Participant, (i) the alternate payee may designate a beneficiary on a form prescribed by and filed with the Committee, (ii) if no such beneficiary is validly designated or if the designated beneficiary is a person who predeceases the alternate payee, the beneficiary of the alternate payee shall be the alternate payee's estate, and (iii) the beneficiary of the alternate payee shall be accorded under the Plan all of the rights and privileges of the beneficiary of a Participant.

(c) An alternate payee named with respect to a Participant shall be entitled to receive a distribution from

the Plan in accordance with the qualified domestic relations order naming such alternate payee. Such distribution may be made only in a form provided under the Plan and shall include only such amounts as are vested. If a qualified domestic relations order so provides, a lump sum distribution of the total vested amount credited to the alternate payee's Accounts may be made to the alternate payee at any time prior to the date the Participant named in such qualified domestic relations order attains his or her earliest retirement age (as defined in Section 414(p)(4)(B) of the Code). To the extent provided by a qualified domestic relations order, the alternate payee named with respect to a Participant may make withdrawals (other than hardship withdrawals) from his or her Accounts in accordance with Section 6.6 in the same manner as a Participant who has completed the Period of Service completed by the Participant with respect to whom such alternate payee was named under said qualified domestic relations order.

(d) If a portion of any unvested amount credited to the Employer Matching Account of a Participant named in the qualified domestic relations order is credited to the Employer Matching Account of the alternate payee named in such qualified domestic relations order, the portion credited to the alternate payee's Employer Matching Account shall vest and/or be forfeited at the same time and in the same manner as the Participant's Employer Matching Account.

Section 6.10 TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTION. If a Participant is entitled to receive an eligible rollover distribution (as defined in Section 402(c) of the Code and the regulations thereunder) from the Plan, such Participant may elect to have the Committee direct the Trustee to transfer the entire amount of such distribution directly to any of the following specified by such Participant: an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract), a defined contribution plan qualified under Section 401(a) of the Code the terms of which permit rollover contributions or an annuity plan described in Section 403(a) of the Code. If the surviving spouse of a deceased Participant is entitled to receive an eligible rollover distribution from the Plan, such surviving spouse may elect to have the Committee direct the Trustee to transfer the entire amount of such distribution directly to either an individual retirement account described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract) specified by such surviving spouse. If an alternate payee under a qualified domestic relations order (as defined in Section 414(p) of the Code) is the spouse or former spouse of the Participant specified in the qualified domestic relations order, this Section shall apply to such alternate payee as if the alternate payee were a Participant. A distributee of an eligible rollover distribution of \$500 or more who is entitled to make an election under this Section may

specify that some portion less than the entire amount of such distribution be transferred in accordance with this Section, but only if the portion specified is \$500 or more. This Section shall not apply to eligible rollover distributions to a distributee for a calendar year if all such distributions from the Plan to such distributee within such calendar year are reasonably expected to total less than \$200.

ARTICLE VII.

PLAN ADMINISTRATION

Section 7.1 EMPLOYEE BENEFITS COMMITTEE. The plan administrator of the Plan shall be an Employee Benefits Committee composed of at least three individuals appointed by the Board of Directors of the Company. Each member of the Committee so appointed shall serve in such office until his or her death, resignation or removal by the Board of Directors of the Company. The Board of Directors of the Company may remove any member of the Committee at any time by giving written notice thereof to the members of the Committee. Vacancies shall likewise be filled from time to time by the Board of Directors of the Company. The members of the Committee shall receive no remuneration from the Plan for their services as Committee members.

Section 7.2 POWERS, DUTIES AND LIABILITIES OF THE COMMITTEE. The Committee shall have discretionary and final authority to interpret and implement the provisions of the Plan, including without limitation authority to determine eligibility

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for benefits under the Plan, and shall perform all of the duties and exercise all of the powers and discretion granted to it under the terms of the Plan. The Committee shall act by a majority of its members at the time in office and such action may be taken either by a vote at a meeting or in writing without a meeting. The Committee may by such majority action authorize any one or more of its members to execute any document or documents on behalf of the Committee, in which event the Committee shall notify the Trustee in writing of such action and the name or names of its member or members so authorized to act. Every interpretation, choice, determination or other exercise by the Committee of any discretion given either expressly or by implication to it shall be conclusive and binding upon all parties directly or indirectly affected, without restriction, however, on the right of the Committee to reconsider and redetermine such actions. In performing any duty or exercising any power herein conferred, the Committee shall in no event perform such duty or exercise such power in any manner which discriminates in favor of Highly Compensated Employees.

Section 7.3 RULES, RECORDS AND REPORTS. The Committee may adopt such rules and procedures for the administration of the Plan as are consistent with the terms hereof, and shall keep adequate records of their proceedings and acts and of the status of the Participants' Accounts. The Committee may employ such agents, accountants and legal counsel (who may be accountants or legal counsel for an Employer) as may be appropriate for the administration of the Plan. The Committee shall annually provide

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each Participant with a report reflecting the status of his or her Accounts in the Trust and shall cause such other information, documents or reports to be prepared, provided and/or filed as may be necessary to comply with the provisions of the Employee Retirement Income Security Act of 1974 or any other law.

Section 7.4 ADMINISTRATION EXPENSES AND TAXES. Unless otherwise paid by the Employers in their discretion, the Committee shall direct the Trustee to pay all reasonable and necessary expenses (including the fees of agents, accountants and legal counsel) incurred by the Committee in connection with the administration of the Plan. Should any tax of any character (including transfer taxes) be levied upon the Trust assets or the income therefrom, such tax shall be paid from and charged against the assets of the Trust.

ARTICLE VIII.

AMENDMENT AND TERMINATION

Section 8.1 AMENDMENT. The Board of Directors of the Company shall have the right and power at any time and from time to time to amend this Plan, in whole or in part, on behalf of all Employers. Any such amendment made by the Board of Directors of the Company shall be made by or pursuant to a resolution duly adopted by the Board of Directors of the Company, and shall be evidenced by such resolution or by a written instrument executed by such person as the Board of Directors of the Company shall authorize for such purpose. The President of the Company shall have the right and power at any time and from time to time to

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amend this Plan to change either (or both) of the matching percentages specified in Section 3.2 to any other matching percentage (including 0%) that does not exceed the corresponding matching percentage in effect on January 1, 1994. Any such amendment made by the President of the Company shall be evidenced by a written instrument executed by the President of the Company. With the consent of the Board of Directors of the Company and subject to such procedure as it may prescribe, the Board of Directors of each Employer shall have the right and power at any time and from time to time to amend this Plan, in whole or in part, with respect to the Plan's application to the Participants of the particular amending Employer and the assets held in the Trust for their benefit, or to transfer such assets or any portion thereof to a new trust for the benefit of such Participants. However, in no event shall any amendment or new trust permit any portion of the trust fund to be used for or diverted to any purpose other than the exclusive benefit of the Participants and their beneficiaries, nor shall any amendment or new trust reduce a Participant's Vested Interest under the Plan. The Company shall in writing notify the Committee of any amendment or change in the provisions of the Plan.

Section 8.2 TERMINATION. The Board of Directors of the Company shall have the right and power at any time to terminate this Plan on behalf of all Employers, or to terminate this Plan as it applies to the Participants who are or were employees of any particular Employer, by giving written notice of such termination to the Committee and Trustee. Any provision of this

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Plan to the contrary notwithstanding, upon the termination or partial termination of the Plan as to any Employer, or in the event any Employer should completely discontinue making contributions to the Plan without formally terminating it, all amounts credited to the Accounts of the affected Participants of that particular Employer shall be fully vested.

ARTICLE IX.

TOP-HEAVY PROVISIONS

Section 9.1 TOP-HEAVY DEFINITIONS. Unless the context clearly indicates otherwise, when used in this Article:

(a) "Top-Heavy Plan" means this Plan if, as of the Determination Date, the aggregate of the Accounts of Key Employees under the Plan exceeds 60% of the aggregate of the Accounts of all Participants and former Participants under the Plan. The aggregate of the Accounts of any Participant or former Participant shall include any distributions (other than related rollovers or transfers from the Plan within the meaning of regulations under Section 416(g) of the Code) made from such individual's Accounts during the Plan Year or any of the four preceding Plan Years, but shall not include any unrelated rollovers or transfers (within the meaning of regulations under Section 416(g) of the Code) made to such individual's Accounts after December 31, 1983. The Accounts of any Participant or former Participant who (i) is not a Key Employee for the Plan Year in question but who was a Key Employee in a prior Plan Year, or

(ii) has not completed an

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Hour of Service during the five-year period ending on the Determination Date, shall not be taken into account. The determination of whether the Plan is a Top-Heavy Plan shall be made after aggregating all other plans of an Employer and any Affiliated Company qualifying under Section 401(a) of the Code in which a Key Employee is a participant or which enables such a plan to meet the requirements of Section 401(a)(4) or 410 of the Code, and after aggregating any other plan of an Employer or Affiliated Company, which is not already aggregated, if such aggregation group would continue to meet the requirements of Sections 401(a)(4) and 410 of the Code and if such permissive aggregation thereby eliminates the top-heavy status of any plan within such permissive aggregation group. The determination of whether this Plan is a Top-Heavy Plan shall be made in accordance with Section 416(g) of the Code.

(b) "Determination Date" means, for purposes of determining whether the Plan is a Top-Heavy Plan for a particular Plan Year, the last day of the preceding Plan Year.

(c) "Key Employee" means any Employee or former Employee (including a beneficiary of such Employee or former Employee) who at any time during the Plan Year or any of the four preceding Plan Years is:

(1) an officer of the Employer who has Compensation for any such Plan Year greater than 50% of

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the amount in effect under Section 415(b)(1)(A) of the Code for such Plan Year;

(2) one of the 10 Employees owning (or considered as owning within the meaning of Section 318 of the Code) the largest interests in excess of 0.5% in an Employer or Affiliated Company and having Compensation for such Plan Year of more than the limitation in effect under Section 415(c)(1)(A) of the Code;

(3) a person owning (or considered as owning within the meaning of Section 318 of the Code) more than 5% of the outstanding stock of an Employer or stock possessing more than 5% of the total combined voting power of all stock of an Employer; or

(4) a person who has Compensation for such Plan Year from an Employer of more than \$150,000 and who would be described in paragraph (3) hereof if 1% were substituted for 5% in each place it appears in such paragraph.

For the purposes of applying Section 318 of the Code to this subsection (c), subparagraph (C) of Section 318(a)(2) of the Code shall be applied by substituting 5% for 50%. The rules of subsections (b), (c) and (m) of Section 414 of the Code shall not apply for purposes of determining ownership in an Employer under this subsection (c).

(d) "Non-Key Employee" means any Employee or former Employee (including a beneficiary of such Employee or former Employee) who is not a Key Employee.

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Section 9.2 MINIMUM CONTRIBUTION REQUIREMENT. Any provision of this Plan to the contrary notwithstanding, if the Plan is a Top-Heavy Plan for any

Plan Year commencing after December 31, 1983, then the Employers will contribute to the Employer Matching Account of each Non-Key Employee who is both eligible to participate and in the employ of an Employer on the last day of such Plan Year, an amount which, when added to the total amount of Pre-Tax Contributions, Matching Contributions, Discretionary Contributions and forfeitures otherwise allocable under the Plan to such Non-Key Employee for such year, shall equal the lesser of (i) 3% of the Total Compensation received by such Non-Key Employee during such year or (ii) the amount contributed by an Employer (expressed as a percentage of Total Compensation) for or on behalf of the Key Employee for whom such percentage is the highest for the Plan Year after taking into account contributions under other defined contribution plans maintained by the Employer in which a Key Employee is a participant (as well as any other plan of an Employer which enables such a plan to meet the requirements of Section 401(a)(4) or 410 of the Code); provided, however, that no minimum contribution shall be made for a Non-Key Employee under this Section for any Plan Year if the Employer maintains another qualified plan under which a minimum benefit or contribution is being accrued or made for such Plan Year for the Non-Key Employee in accordance with Section 416(c) of the Code. A Non-Key Employee who is not a Participant, but for whom a contribution is made pursuant to this Section, shall be accorded all of the

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rights and privileges of a Participant under the Plan except that no contributions (other than contributions pursuant to this Section) shall be made for or on behalf of such Non-Key Employee until he or she meets the participation requirements of Section 2.2.

Section 9.3 MINIMUM VESTING SCHEDULE. Any provision of this Plan to the contrary notwithstanding, if the Plan is a Top-Heavy Plan for any Plan Year commencing after December 31, 1983, then effective as of the first day of such Plan Year with respect to Participants who complete an Hour of Service on or after such day, the vesting schedule provided in Section 5.3(a) shall be applied as if to read as follows:

PERIOD OF SERVICE COMPLETED BY PARTICIPANT -----	PERCENTAGE VESTED -----
Less than 3 years	None
3 or more years	100%

ARTICLE X.

MISCELLANEOUS GENERAL PROVISIONS

Section 10.1 SPENDTHRIFT PROVISION. No right or interest of any Participant or beneficiary under the Plan may be assigned, transferred or alienated, in whole or in part, either directly or by operation of law, and no such right or interest shall be liable for or subject to any debt, obligation or liability of such Participant or beneficiary; provided, however, that nothing herein shall prevent the payment of amounts from a Participant's Accounts under the Plan in accordance with the terms of a court order which the Committee has determined to be a qualified

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domestic relations order (as defined in Section 414(p) of the Code).

Section 10.2 CLAIMS PROCEDURE. If any person (hereinafter called the "Claimant") feels that he or she is being denied a benefit to which he or she is entitled under the Plan, such Claimant may file a written claim for said benefit with any member of the Committee. Within 60 days of the receipt of such claim the Committee shall determine and notify the Claimant as to whether

he or she is entitled to such benefit. Such notification shall be in writing and, if denying the claim for benefit, shall set forth the specific reason or reasons for the denial, make specific reference to the pertinent provisions of the Plan, and advise the Claimant that he or she may, within 60 days of the receipt of such notice, in writing request to appear before the Committee for a hearing to review such denial. Any such hearing shall be scheduled at the mutual convenience of the Committee or its designated representative and the Claimant, and at such hearing the Claimant and/or his or her duly authorized representative may examine any relevant documents and present evidence and arguments to support the granting of the benefit being claimed. The final decision of the Committee with respect to the claim being reviewed shall be made within 60 days following the hearing thereon and the Committee shall in writing notify the Claimant of its final decision, again specifying the reasons therefor and the pertinent provisions of the Plan upon which such decision is based. The final decision of the

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Committee shall be conclusive and binding upon all parties having or claiming to have an interest in the matter being reviewed.

Section 10.3 MAXIMUM CONTRIBUTION LIMITATION. Any provision of this Plan to the contrary notwithstanding, the sum of (i) the Employer contributions, (ii) the forfeitures, and (iii) the Participant contributions (excluding rollover contributions and employee contributions to a simplified employee pension allowable as a deduction, each within the meaning specified in Section 415(c)(2) of the Code), allocated to a Participant with respect to a Plan Year shall in no event exceed the lesser of \$30,000 (or, if greater, one-fourth of the dollar limitation in effect under Section 415(b)(1)(A) of the Code) or 25% of such Participant's Total Compensation for that year. For the purposes of applying the limitation imposed by this Section, each Employer and its Affiliated Companies shall be considered a single employer, and all defined contribution plans (meaning plans providing for individual accounts and for benefits based solely upon the amounts contributed to such accounts and any forfeitures, income, expenses, gains and losses allocated to such accounts) described in Section 415(k) of the Code, whether or not terminated, maintained by an Employer or its Affiliated Companies shall be considered a single plan. If the total amount allocable to a Participant's Accounts for a particular Plan Year would, but for this sentence, exceed the foregoing limitation, the following adjustments shall be made in the following order to the extent necessary: (i) such Participant's Pre-Tax Contributions shall be distributed to such Participant, and (ii) any Matching

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Contributions or Discretionary Contributions allocable to such Participant in excess of the foregoing limitation shall be credited to a suspense account and thereafter reallocated (prior to the application of any amounts subsequently credited to the forfeiture account established under Section 3.7) among the remaining Participants as an additional Discretionary Contribution in accordance with Section 3.5(a). No adjustment shall be made to such suspense account to reflect income, profits and losses, expenses or other transactions affecting the Plan. Any Pre-Tax Contributions distributed to a Participant pursuant to this Section shall not be taken into account in determining such Participant's actual deferral percentage for purposes of Section 3.6.

Section 10.4 EMPLOYMENT NONCONTRACTUAL. The establishment of this Plan shall not enlarge or otherwise affect the terms of any Employee's employment with an Employer and an Employer may terminate the employment of any Employee as freely and with the same effect as if this Plan had not been adopted.

Section 10.5 LIMITATIONS ON RESPONSIBILITY. The Employers do not guarantee or indemnify the Trust against any loss or depreciation of its assets which may occur, nor guarantee the payment of any amount which may become payable to a Participant or his or her beneficiaries pursuant to the provisions of this Plan. All payments to Participants and their beneficiaries shall be made by the Trustee at the direction of the Committee solely from the assets of

the Trust and the Employers shall have no

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legal obligation, responsibility or liability for any such payments.

Section 10.6 MERGER OR CONSOLIDATION. In no event shall this Plan be merged or consolidated into or with any other plan, nor shall any of its assets or liabilities be transferred to any other plan, unless each Participant would be entitled to receive a benefit if the plan in which he or she then participates terminated immediately following such merger, consolidation or transfer, which is equal to or greater than the benefit he or she would have been entitled to receive if the Plan had been terminated immediately prior to such merger, consolidation or transfer.

Section 10.7 APPLICABLE LAW. This Plan shall be governed and construed in accordance with the internal laws (and not the principles relating to conflicts of laws) of the State of Oklahoma except where superseded by federal law.

IN WITNESS WHEREOF, this restated Plan has been executed by Noble Affiliates, Inc. on behalf of all Employers this 19th day of May, 1994, to be effective as of January 1, 1994.

NOBLE AFFILIATES, INC.

By: /S/ Robert Kelley

Title: Chairman, President &
Chief Executive Officer

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AMENDMENT NO. 9 TO THE
NOBLE AFFILIATES
THRIFT AND PROFIT SHARING PLAN

Pursuant to the provisions of Section 8.1 thereof, the Noble Affiliates Thrift and Profit Sharing Plan, as amended and restated effective as of January 1, 1988 (the "Plan"), is hereby amended in the following respects only:

FIRST: Section 1.1(c) of the Plan is hereby amended by adding the following sentence to the end thereof:

In determining the Basic Compensation of an Employee, the rules of Section 414(q) (6) of the Internal Revenue Code shall apply, except that in applying such rules, the term "family" shall include only the spouse of the Employee and any lineal descendants of the Employee who have not attained age 19 prior to the end of the Plan Year.

SECOND: Section 3.6 of the Plan is hereby amended by adding the following subsection to the end thereof:

(d) Any provision of this Plan to the contrary notwithstanding, in addition to the above limitations of this Section, the sum of the actual deferral percentage and the contribution percentage for the group of Highly Compensated Employees as determined pursuant to and after application of subsections (b) and (c) of this Section shall not exceed the "aggregate limit." The "aggregate limit" shall be equal to the greater of:

(1) the sum of: (i) 1.25 times the greater of the relevant actual deferral percentage or the relevant contribution percentage, and (ii) two percentage points plus the lesser of the relevant actual deferral percentage or the relevant contribution percentage, provided that the amount in this clause (ii) shall not exceed twice the lesser of the relevant actual deferral percentage or the relevant contribution percentage; or

(2) the sum of: (i) 1.25 times the lesser of the relevant actual deferral percentage or the relevant contribution percentage, and (ii) two percentage points plus the greater of the relevant actual deferral percentage or the relevant contribution percentage, provided that the amount in this clause (ii) shall not exceed twice the greater of the relevant actual deferral percentage or the relevant contribution percentage.

The "relevant actual deferral percentage" means the actual deferral percentage determined pursuant to subsection (b) of this Section for the group of Employees who are not Highly Compensated Employees. The "relevant contribution percentage" means the contribution percentage determined pursuant to subsection (c) of this Section for the group of Employees who are not Highly Compensated Employees. In the event that the aggregate limit is exceeded in any year, then the actual deferral percentage and/or contribution percentage for Participants who are members of the group of Highly Compensated Employees shall be reduced by reducing first any Pre-Tax Contributions and then any Matching Contributions made for such Plan Year for or on behalf of the Highly Compensated Employees with the largest individual actual deferral percentages and/or contribution percentages to the largest uniform actual deferral percentage and/or contribution percentage (commencing with the Highly Compensated Employee with the largest actual deferral percentage and/or contribution percentage and reducing his or her actual deferral percentage and/or

contribution percentage to the extent necessary to satisfy the above restrictions or to lower such actual deferral percentage and/or contribution percentage to the actual deferral percentage and/or contribution percentage of the Highly Compensated Employee with the next highest actual deferral percentage and/or contribution percentage, and repeating this process as necessary) that permits the sum of the actual deferral percentage and contribution percentage for said group of Highly Compensated Employees to satisfy the above restrictions. If any portion of a Pre-Tax Contribution made on behalf of a Participant is distributed to such Participant pursuant to this subsection, any portion of a Matching Contribution (along with any income allocable thereto) made for such Participant that matches the distributed Pre-Tax Contribution shall be forfeited. Any additional Matching Contributions made for a Participant which cannot be credited to the Employer Matching Account of such Participant for a Plan Year because of the limitation contained in this subsection (along with any income allocable thereto) shall be forfeited if forfeitable, but if not forfeitable, distributed to such Participant within 2 1/2 months after the end of such year. If for a Plan Year the Compensation received by an Employee is treated pursuant to Section 1.1(p) as Compensation received by a Highly Compensated Employee, then this subsection shall be applied to such Employees for such Plan Year in accordance with regulations under Section 401(k) and (m) of the Internal Revenue Code.

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IN WITNESS WHEREOF, this Amendment has been executed this
19th day of May, 1994, to be effective as of January 1, 1989.

NOBLE AFFILIATES, INC.

By: /S/ ROBERT KELLEY

Title: Chairman, President &
Chief Executive Officer

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RESTORATION OF RETIREMENT INCOME PLAN

FOR

CERTAIN PARTICIPANTS IN THE NOBLE AFFILIATES

RETIREMENT PLAN

THIS RESTORATION OF RETIREMENT INCOME PLAN, made and executed at Ardmore, Oklahoma, by Noble Affiliates, Inc.,

WITNESSETH THAT:

WHEREAS, Noble Affiliates, Inc. and certain of its affiliates have heretofore established an unfunded excess benefit plan within the meaning of Section 3(36) of the Employee Retirement Income Security Act of 1974, as amended, known as the Restoration of Retirement Income Plan for Certain Participants in the Noble Affiliates Retirement Plan (the "Restoration Plan") to supplement the benefits payable under the Noble Affiliates Retirement Plan to its participants and beneficiaries whose benefits otherwise payable under the Noble Affiliates Retirement Plan have been reduced because of the maximum benefit limitations imposed under the Noble Affiliates Retirement Plan in order to comply with the requirements of Section 415 of the Internal Revenue Code of 1986, as amended; and

WHEREAS, Noble Affiliates, Inc. now desires to amend said Restoration Plan on behalf of all participating employers to provide additional benefits to a select group of management or highly compensated employees of such employers;

NOW, THEREFORE, in consideration of the premises and pursuant to the provisions of Restoration Plan Section 6, the

Restoration Plan is hereby amended by restatement in its entirety to read as follows:

1. PURPOSE AND NATURE OF THE PLAN

This Restoration of Retirement Income Plan (the "Plan") has been established by Noble Affiliates, Inc. (the "Company") and certain of its affiliates (the Company and its affiliates that have adopted this Plan each an "Employer" and together the "Employers") to provide for the payment of certain pension and pension-related benefits to or with respect to certain employees who are participants in the Noble Affiliates Retirement Plan (the "Basic Plan") so that the total pension and pension-related benefits of such employees can be determined on the same basis as is applicable to all other employees participating in the Basic Plan. This Plan is unfunded and has been established by the Employers primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

2. DEFINITIONS

If not otherwise defined herein, all terms used in this Plan shall have the same meaning as assigned to them under the provisions of the Basic Plan.

3. ADMINISTRATION

This Plan shall be administered by the Employee Benefits Committee (the "Committee") established under the Basic Plan, which shall administer this Plan in a manner

consistent with its terms and with the administrative powers provided for the administration of the Basic Plan, as from time to time amended and in effect, except that this Plan shall be administered as an unfunded plan which is not intended to meet the qualification requirements of Section 401 of the Internal Revenue Code of 1986, as amended (the "Code"). The Committee shall have full power and discretionary authority to interpret, construe and administer this Plan and the Committee's interpretations and construction hereof and actions hereunder, including determinations with respect to the eligibility for and the amount or recipient of Plan benefits hereunder, shall be binding and conclusive on all persons for all purposes.

4. ELIGIBILITY

Employees and former employees of an Employer who are participants in the Basic Plan and whose pension or pension-related benefits under the Basic Plan are limited by the provisions imposed by the Basic Plan in order to comply with the maximum compensation limitation requirement of Section 401(a)(17) of the Code or the maximum benefit limitation requirement of Section 415 of the Code (each a "Participant" and together the "Participants"), and their beneficiaries under the Basic Plan, shall be eligible for benefits under this Plan. In no event shall any person who is not entitled to benefits under the Basic Plan be eligible for a benefit under this Plan.

5. AMOUNT OF BENEFITS

If a Participant or beneficiary of a Participant receives or commences receiving benefits under the Basic Plan, then such Participant or beneficiary shall be entitled to receive benefits under this Plan which are actuarially equivalent to the excess, if any, of:

- (a) the value of the benefits which would have been payable to such Participant or beneficiary under the Basic Plan if the provisions of the Basic Plan were administered without regard to (i) the maximum amount of compensation limitation imposed under the Basic Plan in order to comply with Section 401(a)(17) of the Code, and (ii) the maximum amount of retirement income limitation imposed under the Basic Plan in order to comply with Section 415 of the Code, over
- (b) the value of the benefits which are actually payable to such Participant or beneficiary under the provisions of the Basic Plan.

For the purposes of this Plan, the value of benefits and the amounts payable under alternate forms of benefits shall be determined using the actuarial assumptions being used under the Basic Plan for such purposes.

6. PAYMENT OF BENEFITS

The benefits payable to a Participant or beneficiary of a Participant under this Plan shall commence in payment

concurrently with the commencement of the payment of benefits to such Participant or beneficiary under the Basic Plan, and shall be paid to such Participant or beneficiary in such form available under the Basic Plan as shall be selected by the Committee in its absolute discretion. All

benefits payable under this Plan to or with respect to a Participant who was an employee of an Employer shall be paid from the general assets of such Employer. If the benefits payable to or with respect to a Participant under this Plan are attributable to periods of employment with more than one Employer, the amount payable to or with respect to such Participant shall be apportioned among and paid by the Employers who employed such Participant in such proportions as shall be determined by the Committee in its absolute discretion. No Participant, beneficiary of a Participant or other person shall have, under any circumstances, any interest whatever in any particular property or assets of an Employer by virtue of this Plan.

7. AMENDMENT AND DISCONTINUANCE

The Board of Directors of the Company shall have the right and power at any time and from time to time to amend this Plan, in whole or in part, on behalf of all Employers, and at any time to terminate this Plan or any Employer's participation hereunder. Any amendment to or termination of this Plan shall be made by or pursuant to a resolution duly adopted by the Board of Directors of the Company and shall

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be evidenced by such resolution or by a written instrument executed by such person as the Board of Directors of the Company shall authorize for such purpose. Any provision of this Plan to the contrary notwithstanding, no amendment to or termination of this Plan shall reduce or eliminate an Employer's obligation for the payment of benefits accrued under this Plan as of the date of such amendment or termination, such benefits to be determined as if the Basic Plan had terminated on such date.

8. RESTRICTION ON ASSIGNMENT

The benefits provided hereunder are intended for the personal security of persons entitled to payment under this Plan and are not subject in any manner to the debts or other obligations of the persons to whom they are payable. The interest of a Participant or beneficiary of a Participant may not be sold, transferred, assigned, or encumbered in any manner, either voluntarily or involuntarily, and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be null and void; neither shall the benefits hereunder be liable for or subject to the debts, contracts, liabilities, engagements, or torts of any person to whom such benefits or funds are payable, nor shall they be subject to garnishment, attachment, or other legal or equitable process nor shall they be an asset in bankruptcy.

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If a Participant or any other person entitled to a benefit under this Plan becomes bankrupt or makes an assignment for the benefit of creditors or in any way suffers a lien or judgment against his or her personal assets, or in any way attempts to anticipate, alienate, sell, assign, pledge, encumber or charge a benefit, right or interest hereunder, then such benefit, right or interest may be terminated by the Committee in its absolute discretion.

9. CONTINUED EMPLOYMENT

Nothing contained in this Plan shall be construed as conferring upon any employee of an Employer the right to continue in the employ of such Employer in any capacity.

10. LIABILITY OF THE COMMITTEE

No member of the Committee shall be liable for any loss unless resulting from his or her own fraud or willful misconduct, and no such member shall be personally liable for or with respect to any agreement,

act, transaction or omission executed, committed or suffered to be committed by such member as a member of the Committee or by any other member, agent, representative or employee of the Committee. The Committee and any individual member of the Committee and any agent thereof shall be fully protected in relying upon the advice of the following professional consultants or advisors employed by the Company or the Committee: any attorney insofar as legal matters are concerned, any

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accountant insofar as accounting matters are concerned, and any actuary insofar as actuarial matters are concerned.

11. INDEMNIFICATION

The Employers shall indemnify and hold harmless each member of the Committee and each director, officer and employee of an Employer against any claim, cost, expense (including attorneys' fees), judgment or liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act as a member of the Committee or any other act or omission to act relating to this Plan, except in the case of such person's fraud or willful misconduct.

12. BINDING ON EMPLOYERS, EMPLOYEES AND THEIR SUCCESSORS

This Plan shall be binding upon and inure to the benefit of each Employer, its successors and assigns, and each Participant and his or her beneficiaries, heirs, executors, administrators and legal representatives.

13. TERMINATION OF SERVICE FOR DISHONESTY

If a Participant's employment with an Employer is terminated because of dishonest conduct injurious to such Employer, or if dishonest conduct injurious to an Employer is committed by a Participant employed by an Employer and such conduct is discovered by such Employer during the lifetime of the Participant and within one year after his or her employment with such Employer terminated or within one year after his or her retirement under the Basic Plan, the

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Committee may terminate such Participant's interest and benefits under this Plan.

The dishonest conduct injurious to an Employer committed by a Participant shall be determined and decided by the Committee only after a full investigation of such alleged dishonest conduct and an opportunity has been given to the Participant to appear before the Committee to present his or her case. The decision made by the Committee in such cases shall be final and binding on all persons affected by such decision.

14. RIGHTS OF AFFILIATES TO PARTICIPATE

Any subsidiary or affiliate of the Company may adopt this Plan and become an Employer hereunder by proper action taken by the board of directors or other governing authority of such subsidiary or affiliate. The administrative powers and control of the Company, as provided in this Plan, shall not be deemed diminished under this Plan by reason of the participation of any other Employer and the administrative powers and control granted hereunder to the Committee shall be binding upon any Employer adopting this Plan. Each Employer adopting this Plan shall have the obligation to pay the benefits of its employees hereunder and no other Employer shall have such obligation. Any failure by a particular Employer to pay or otherwise discharge its obligations under this Plan shall have no effect on any other Employer. Any Employer may discontinue this Plan at

any time by proper action of its board of directors or other governing authority; provided, however, that such discontinuance shall not reduce or eliminate such Employer's obligation for the payment of benefits accrued under this Plan as of the date of such discontinuance, such benefits to be determined as if the Basic Plan had terminated on such date.

15. CLAIMS PROCEDURE

If any person (hereinafter called the "Claimant") feels that he or she is being denied a benefit to which he or she is entitled under this Plan, such Claimant may file a written claim for said benefit with the Committee. Within sixty days following the receipt of such claim the Committee shall determine and notify the Claimant as to whether he or she is entitled to such benefit. Such notification shall be in writing and, if denying the claim for benefit, shall set forth the specific reason or reasons for the denial, make specific reference to the pertinent provisions of this Plan, and advise the Claimant that he or she may, within sixty days following the receipt of such notice, in writing request to appear before the Committee or its designated representative for a hearing to review such denial. Any such hearing shall be scheduled at the mutual convenience of the Committee or its designated representative and the Claimant, and at any such hearing the Claimant and/or his or her duly authorized representative may examine any relevant

documents and present evidence and arguments to support the granting of the benefit being claimed. The final decision of the Committee with respect to the claim being reviewed shall be made within sixty days following the hearing thereon, and Committee shall in writing notify the Claimant of said final decision, again specifying the reasons therefor and the pertinent provisions of this Plan upon which said final decision is based. The final decision of the Committee shall be conclusive and binding upon all parties having or claiming to have an interest in the matter being reviewed.

16. APPLICABLE LAW

This Plan shall be governed and construed in accordance with the internal laws (and not the principles relating to conflicts of laws) of the State of Oklahoma, except where superseded by federal law.

IN WITNESS WHEREOF, this Plan has been executed on this 21st day of September, 1994, to be effective as of May 19, 1994.

NOBLE AFFILIATES, INC.

By: /S/ ROBERT KELLEY

Title: Chairman, President &
Chief Executive Officer

NOBLE AFFILIATES
THRIFT RESTORATION PLAN

THIS PLAN, made and executed at Ardmore, Oklahoma, by NOBLE AFFILIATES, INC., a Delaware corporation, is being established primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees of Noble Affiliates, Inc. and its participating affiliates.

ARTICLE I.

DEFINITIONS

Section 1.1 DEFINITIONS. Unless the context clearly indicates otherwise, when used in this Plan:

- (a) "Account" means a Participant's Deferral Account or Matching Account, as the context requires.
- (b) "Affiliated Company" means any corporation or organization, other than an Employer, which is a member of a controlled group of corporations (within the meaning of Section 414(b) of the Internal Revenue Code) or of an affiliated service group (within the meaning of Section 414(m) of the Internal Revenue Code) with respect to which an Employer is also a member, and any other incorporated or unincorporated trade or business which along with an Employer is under common control (within the meaning of Section 414(c) of the Internal Revenue Code).
- (c) "Committee" means the committee designated pursuant to Plan Section 2.1 to administer this Plan.
- (d) "Company" means Noble Affiliates, Inc.
- (e) "Deferral Account" means the account established and maintained on the books of an Employer pursuant to Plan Section 3.2 to record a Participant's interest under this Plan attributable to amounts credited to such Participant pursuant to Plan Section 3.2(a).
- (f) "Election Period" means the period prior to the beginning of a Plan Year (or, with respect to the Plan's first Plan Year, the period prior to June 1, 1994) which is specified by the Committee for the making of deferral elections for such year pursuant to Plan Section 3.1.
- (g) "Eligible Employee" means the President of the Company and any other employee of an Employer (i) who has satisfied the service requirement necessary to be eligible to make contributions to the Thrift Plan, (ii) whose annual base salary is at least \$85,000, and (iii) who has been designated by the President as an Eligible Employee for the purposes of this Plan.
- (h) "Employer" includes the Company and any other incorporated or unincorporated trade or business which may adopt both the Thrift Plan and this Plan.
- (i) "Matching Account" means the account established and maintained on the books of an Employer pursuant to Plan Section 3.2 to record a Participant's interest under this Plan attributable to amounts credited to such Participant pursuant to Plan Section 3.2(b).
- (j) "Participant" means an Eligible Employee or former Eligible Employee for whom an Account is being maintained under this Plan.

(k) "Plan" means this Noble Affiliates Thrift Restoration Plan as in effect from time to time.

(l) "Plan Year" means the twelve-month period commencing January 1 and ending the following December 31.

(m) "Thrift Plan" means the Noble Affiliates Thrift and Profit Sharing Plan as in effect from time to time.

ARTICLE II.

PLAN ADMINISTRATION

Section 2.1 COMMITTEE. This Plan shall be administered by the Committee appointed to administer the Thrift Plan on behalf of the Employers. The Committee shall have discretionary and final authority to interpret and implement the provisions of the Plan, including without limitation, authority to determine eligibility for benefits under the Plan. The Committee shall act by a majority of its members at the time in office and such action may be taken either by a vote at a meeting or in writing without a meeting. The Committee may adopt such rules and procedures for the administration of the Plan as are consistent with the terms hereof and shall keep adequate records of its proceedings and acts. Every interpretation, choice, determination or other exercise by the Committee of any power or discretion given either expressly or by implication to it shall be conclusive and binding upon all parties having or claiming to have an interest under the Plan or otherwise directly or indirectly affected by such action, without restriction, however, on the right of the Committee to reconsider and redetermine such action. The Employers shall indemnify and hold harmless each member of the Committee and each director, officer and employee of an Employer against any claim, cost, expense (including

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attorneys' fees), judgment or liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act as a member of the Committee or any other act or omission to act relating to this Plan, except in the case of such person's fraud or willful misconduct.

ARTICLE III.

DEFERRED COMPENSATION PROVISIONS

Section 3.1 DEFERRAL ELECTION. During the Election Period for each Plan Year, an Eligible Employee may elect to have the payment of the following amounts of his or her compensation deferred for payment in the manner and at the time specified in Plan Section 3.4:

(a) The portion of his or her elected pre-tax contributions to the Thrift Plan which cannot be made to the Thrift Plan because of (i) the maximum contribution limitation imposed under the Thrift Plan in order to comply with the requirement of section 402(g) of the Internal Revenue Code, (ii) a contribution limitation imposed under the Thrift Plan by the Thrift Plan Committee in order to comply with the nondiscriminatory contribution requirement of section 401(k) of the Internal Revenue Code, or (iii) the maximum compensation limitation imposed under the Thrift Plan in order to comply with the requirement of section 401(a)(17) of the Internal Revenue Code.

(b) An amount up to 10% of the annual base salary otherwise payable by an Employer to such Participant for such Plan Year. The amount of annual base salary a Participant elects to defer pursuant to this Section 3.1(b) shall be deferred in equal pay period installments.

All elections made pursuant to this Plan Section 3.1 shall be made in writing on a form prescribed by and filed with the Committee and shall be irrevocable.

Section 3.2 PARTICIPANT ACCOUNTS. An Employer shall establish and maintain on its books a Deferral Account and a Matching Account for each Eligible Employee employed by such Employer. Each such Account shall be designated by the name of the Participant for whom established and shall be

credited in accordance with the following provisions:

(a) The amount of any compensation from an Employer for a Plan Year that is deferred for a Participant pursuant to Plan Section 3.1 shall be credited by such Employer to such Participant's Deferral Account as of the last day of

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the month in which such amount would otherwise have been paid to such Participant by such Employer.

(b) The amount of any Employer matching contribution that would have been made by an Employer to the Thrift Plan for a Participant for a pay period if (i) the compensation such Participant elected to defer for such pay period pursuant to Plan Section 3.1(a) had been contributed to the Thrift Plan as a pre-tax contribution for such Participant for such pay period, and (ii) the provisions of the Thrift Plan were administered without regard to the limitations referred to in Plan Section 3.1(a), shall be credited to such Participant's Matching Account as of the day such Employer matching contribution would have been made to the Thrift Plan for such Participant under such circumstances.

Section 3.3 ACCOUNT ADJUSTMENTS. On the last day of each month of each Plan Year, each Account shall be credited with an amount equal to the interest that would have been earned during that month on the amounts credited to such Account if such amounts were credited with interest for that month at a rate equal to 2% above the prime rate as published in The Wall Street Journal on the first business day of such month.

Section 3.4 ACCOUNT PAYMENTS. Upon a Participant's termination of employment with an Employer or Affiliated Company for any reason other than death or transfer to employment with another Employer or Affiliated Company, the amount credited to each Account being maintained by an Employer for such Participant shall be paid by such Employer to such Participant (or, in the event of his or her subsequent death, to the beneficiary or beneficiaries designated by such Participant pursuant to Plan Section 3.5) in a single lump sum in cash within sixty days following such termination of employment and shall be charged against such Account; provided, however, that if such Participant is not fully vested in the amount credited to his or her employer matching contribution account under the Thrift Plan at the time of such termination of employment, then the amount credited to such Participant's Matching Account shall be reduced at the time of such termination of employment to an amount equal to the amount then credited to said Matching Account multiplied by the vested percentage applicable to such Participant's employer matching contribution account under the Thrift Plan as of the date of such termination of employment. Upon a Participant's termination of employment with an Employer or Affiliated Company by reason of death, the amount credited to each Account being maintained by an Employer for such Participant shall be paid by such Employer to the beneficiary or beneficiaries designated by such Participant pursuant to Plan Section 3.5 in a single lump sum in cash within sixty days following such Participant's death and shall be charged against such Account.

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Section 3.5 DESIGNATION OF BENEFICIARIES. Any amount payable under this Plan after the death of a Participant shall be paid when otherwise due hereunder to the beneficiary or beneficiaries designated by such Participant. Such designation of beneficiary or beneficiaries shall be made in writing on a form prescribed by and filed with the Committee and shall remain in effect until changed by such Participant by the filing of a new beneficiary designation form with the Committee. If a Participant fails to so designate a beneficiary, or in the event all of the designated beneficiaries are individuals who either predecease the Participant or survive the Participant but die prior to receiving the full amount payable under this Plan, any remaining amount payable under this Plan shall be paid to such Participant's estate when otherwise due hereunder.

Section 3.7 HARDSHIP DISTRIBUTIONS. If a Participant who is fully vested in the amount credited to his or her employer matching contribution account under the Thrift Plan encounters an unanticipated severe financial emergency which is caused by an event or series of events beyond the control of such Participant and which has or will result in a severe financial hardship to such Participant if he or she does not receive an early distribution from an Account being maintained for such Participant under this Plan, the Committee in its absolute discretion may direct the Employer maintaining such Account to pay to such Participant in cash and charge against such Account such portion of the amount then credited to such Account (including, if appropriate, the entire balance thereof) as the Committee shall determine to be necessary to alleviate the severe financial hardship of such Participant. No distribution shall be made to a Participant pursuant to this Plan Section 3.7 unless such Participant requests such a distribution in writing and provides to the Committee such information and documentation with respect to his or her financial emergency and hardship as may be requested by the Committee.

Section 3.8 MATCHING ACCOUNT FORFEITURE. Any provision of this Plan to the contrary notwithstanding, if the Committee in its absolute discretion determines that a Participant's employment with an Employer or Affiliated Company was terminated either (i) by discharge by such Employer or Affiliated Company for cause, or (ii) by such Participant's quitting to render services to, become employed by or otherwise directly or indirectly participate or engage in the financing or conduct of any business which competes with a business conducted by such Employer or Affiliated Company in an area where such business is then being conducted by such Employer or Affiliated Company, such Participant shall thereupon forfeit the entire amount credited to his or her Matching Account.

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ARTICLE IV.

AMENDMENT AND TERMINATION

Section 4.1 AMENDMENT AND TERMINATION. The Board of Directors of the Company shall have the right and power at any time and from time to time to amend this Plan, in whole or in part, on behalf of all Employers, and at any time to terminate this Plan or any Employer's participation hereunder. Any amendment to or termination of this Plan shall be made by or pursuant to a resolution duly adopted by the Board of Directors of the Company, and shall be evidenced by such resolution or by a written instrument executed by such person as the Board of Directors of the Company shall authorize for such purpose. Any provision of this Plan to the contrary notwithstanding, no amendment to or termination of this Plan shall reduce the amounts actually credited to a Participant's Accounts as of the date of such amendment or termination, or further defer the dates for the payment of such amounts, without the consent of the affected Participant.

ARTICLE V.

MISCELLANEOUS PROVISIONS

Section 5.1 NATURE OF PLAN AND RIGHTS. This Plan is unfunded and maintained by the Employers primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees of the Employers. The Accounts established and maintained under this Plan by an Employer are for its accounting purposes only and shall not be deemed or construed to create a trust fund or security interest of any kind for or to grant a property interest of any kind to any Participant, designated beneficiary or estate. The amounts credited by an Employer to Accounts maintained under this Plan are and for all purposes shall continue to be a part of the general assets and liabilities of such Employer, and to the extent that a Participant, designated beneficiary or estate acquires a right to receive a payment from such Employer pursuant to this Plan, such right shall be no greater than the right of any unsecured general creditor of such Employer.

Section 5.2 SPENDTHRIFT PROVISION. No Account balance or other right or interest under this Plan of a Participant, designated beneficiary or estate may be assigned, transferred or alienated, in whole or in part, either directly

or by operation of law, and no such balance, right or interest shall be liable for or subject to any debt, obligation or liability of such Participant, designated beneficiary or estate.

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Section 5.3 EMPLOYMENT NONCONTRACTUAL. The establishment of this Plan shall not enlarge or otherwise affect the terms of any Participant's employment with an Employer, and such Employer may terminate the employment of such Participant as freely and with the same effect as if this Plan had not been established.

Section 5.4 ADOPTION BY OTHER EMPLOYERS. This Plan may be adopted by any Employer participating in the Thrift Plan, such adoption to be effective as of the date specified by such Employer at the time of adoption.

Section 5.5 CLAIMS PROCEDURE. If any person (hereinafter called the "Claimant") feels that he or she is being denied a benefit to which he or she is entitled under this Plan, such Claimant may file a written claim for said benefit with the Committee. Within sixty days following the receipt of such claim the Committee shall determine and notify the Claimant as to whether he or she is entitled to such benefit. Such notification shall be in writing and, if denying the claim for benefit, shall set forth the specific reason or reasons for the denial, make specific reference to the pertinent provisions of this Plan, and advise the Claimant that he or she may, within sixty days following the receipt of such notice, in writing request to appear before the Committee or its designated representative for a hearing to review such denial. Any such hearing shall be scheduled at the mutual convenience of the Committee or its designated representative and the Claimant, and at any such hearing the Claimant and/or his or her duly authorized representative may examine any relevant documents and present evidence and arguments to support the granting of the benefit being claimed. The final decision of the Committee with respect to the claim being reviewed shall be made within sixty days following the hearing thereon, and Committee shall in writing notify the Claimant of said final decision, again specifying the reasons therefor and the pertinent provisions of this Plan upon which said final decision is based. The final decision of the Committee shall be conclusive and binding upon all parties having or claiming to have an interest in the matter being reviewed.

Section 5.6 APPLICABLE LAW. This Plan shall be governed and construed in accordance with the internal laws (and not the principles relating to conflicts of laws) of the State of Oklahoma, except where superseded by federal law.

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IN WITNESS WHEREOF, this Plan has been executed on this 19th day of May, 1994.

NOBLE AFFILIATES, INC.

By: /S/ Robert Kelley

Title: Chairman, President &
Chief Executive Officer

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NOBLE AFFILIATES RESTORATION TRUST

THIS TRUST AGREEMENT, made and executed at Ardmore, Oklahoma, by and between NOBLE AFFILIATES, INC., a Delaware corporation (the "Company") and EXCHANGE NATIONAL BANK AND TRUST COMPANY OF ARDMORE, OKLAHOMA (the "Trustee");

WITNESSETH THAT:

WHEREAS, Company has established the nonqualified deferred compensation plans listed on the attached Appendix A (each a "Plan" and together the "Plans") for the purpose of providing deferred compensation for a select group of management or highly compensated employees of Company; and

WHEREAS, Company has incurred and expects to incur additional liabilities under the terms of the Plans for the payment of benefits to or with respect to the employees and former employees of Company who become entitled to benefit payments from Company pursuant to the provisions of one or more of the Plans (each a "Plan Participant" and together the "Plan Participants"); and

WHEREAS, Company desires to establish a trust to be known as the Noble Affiliates Restoration Trust (the "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of Company's creditors in the event of Company's insolvency, until paid to Plan Participants or their beneficiaries who are entitled to Plan benefit payments from Company; and

WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement and shall not affect the status of the Plans as unfunded plans maintained for the purpose of providing deferred compensation for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended; and

WHEREAS, it is the intention of Company to make contributions to the Trust to provide itself with a source of funds to assist it in the meeting of its liabilities under the Plans;

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

Section 1. ESTABLISHMENT OF TRUST.

(a) Company hereby deposits with Trustee in trust _____, which shall become the principal of the Trust to be held, administered and disposed of by Trustee as provided in this Trust Agreement.

(b) The Trust hereby established shall be irrevocable.

(c) The Trust is intended to be a grantor trust, of which Company is the grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly.

(d) The principal of the Trust, and any earnings thereon shall be held separate and apart from other funds of Company and shall be used exclusively for the uses and purposes of Plan Participants, their beneficiaries and Company's general creditors as herein set forth. Plan Participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plans and this Trust Agreement shall be mere unsecured contractual rights of Plan Participants and their beneficiaries against Company. Any assets held by the Trust will be subject to the claims of Company's general creditors under federal and state law in the event Company becomes Insolvent as defined in Section 3(a) herein.

(e) Company, in its sole discretion, may at any time, or from time to time, make additional deposits of cash or other property acceptable to the

Trustee in trust with Trustee to augment the principal to be held, administered and disposed of by Trustee as provided in this Trust Agreement. Neither Trustee nor any Plan Participant or beneficiary shall have any right to compel such additional deposits.

(f) Upon a Change of Control, Company shall, as soon as possible, but in no event longer than twenty (20) days following the Change of Control, as defined herein, make an irrevocable contribution to the Trust in an amount that is sufficient to pay each Plan Participant or beneficiary the benefits to which Plan Participants or their beneficiaries would be entitled pursuant to the terms of the Plans as of the date on which the Change of Control occurred.

Section 2. PAYMENTS TO PLAN PARTICIPANTS AND THEIR BENEFICIARIES.

(a) Company shall deliver to Trustee a schedule (the "Payment Schedule") that indicates the amounts payable in respect of each Plan Participant (and his or her beneficiaries), that provides a formula or other instructions acceptable to Trustee for determining the amounts so payable, the form in which such amount is to be paid (as provided for or available under the Plans), and the time of commencement for payment of such amounts. Except as otherwise provided herein, Trustee shall make payments to the Plan Participants and their beneficiaries in accordance with such Payment Schedule. The Trustee shall make provision for

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the reporting and withholding of any federal, state or local taxes that may be required to be withheld with respect to the payment of benefits pursuant to the terms of the Plans and shall pay amounts withheld to the appropriate taxing authorities or determine that such amounts have been reported, withheld and paid by Company.

(b) The entitlement of a Plan Participant or his or her beneficiaries to benefits under the Plans shall be determined by Company or such party as it shall designate under the Plans, and any claim for such benefits shall be considered and reviewed under the procedures set out in the Plans.

(c) Company may make payment of benefits directly to Plan Participants or their beneficiaries as they become due under the terms of the Plans. Company shall notify Trustee of its decision to make payment of benefits directly prior to the time amounts are payable to a Plan Participant or his or her beneficiaries. In addition, if the principal of the Trust, and any earnings thereon, are not sufficient to make payments of benefits to a Plan Participant or his or her beneficiaries in accordance with the terms of the Plans, Company shall make the balance of each such payment as it falls due. Trustee shall notify Company where principal and earnings are not sufficient.

Section 3. TRUSTEE RESPONSIBILITY REGARDING PAYMENTS TO TRUST BENEFICIARY WHEN COMPANY IS INSOLVENT.

(a) Trustee shall cease payment of benefits to Plan Participants and their beneficiaries if Company is Insolvent. Company shall be considered "Insolvent" for purposes of this Trust Agreement if (i) Company is unable to pay its debts as they become due, or (ii) Company is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.

(b) At all times during the continuance of this Trust, as provided in Section 1(d) hereof, the principal and income of the Trust shall be subject to claims of general creditors of Company under federal and state law as set forth below.

(1) If Company becomes Insolvent, the Board of Directors and the Chief Executive Officer of Company shall have the duty to inform Trustee in writing of Company's insolvency. If a person claiming to be a creditor of Company alleges in writing to Trustee that Company has become Insolvent, Trustee shall determine whether Company is Insolvent and, pending such determination, Trustee shall discontinue payment of benefits to Plan Participants or their beneficiaries.

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(2) Unless Trustee has actual knowledge that Company is Insolvent, or has received notice from Company or a person claiming to be a creditor alleging that Company is Insolvent, Trustee shall have no duty to inquire whether Company is Insolvent. Trustee may in all events rely on such evidence concerning Company's solvency as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning Company's solvency.

(3) If at any time Trustee has determined that Company is Insolvent, Trustee shall discontinue payments to Plan Participants or their beneficiaries and shall hold the assets of the Trust for the benefit of Company's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Plan Participants or their beneficiaries to pursue their rights as general creditors of Company with respect to benefits due under the Plans or otherwise.

(4) Trustee shall resume the payment of benefits to Plan Participants or their beneficiaries in accordance with Section 2 of this Trust Agreement only after Trustee has determined that Company is not Insolvent (or is no longer Insolvent).

(c) Provided that there are sufficient assets, if Trustee discontinues the payment of benefits from the Trust pursuant to Section 3(b) hereof and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Plan Participants or their beneficiaries under the terms of the Plans for the period of such discontinuance, less the aggregate amount of any payments made to Plan Participants or their beneficiaries by Company in lieu of the payments provided for hereunder during any such period of discontinuance.

Section 4. PAYMENTS TO COMPANY.

Except as provided in Section 3 hereof, Company shall have no right or power to direct Trustee to return to Company or to divert to others any of the Trust assets before all payment of benefits have been made to Plan Participants and their beneficiaries pursuant to the terms of the Plans.

Section 5. INVESTMENT AUTHORITY.

(a) Except as otherwise provided in this Trust Agreement, Trustee shall have all of the rights, powers, duties and obligations with respect to the investment of the assets of the Trust granted to a trustee under the laws of the State of

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Oklahoma. In no event may Trustee invest in securities (including stock or rights to acquire stock) or obligations issued by Company, other than a de minimis amount held in common investment vehicles in which Trustee invests. All rights associated with assets of the Trust shall be exercised by Trustee or the person designated by Trustee, and shall in no event be exercisable by or rest with Plan Participants.

Section 6. DISPOSITION OF INCOME.

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

Section 7. ACCOUNTING BY TRUSTEE.

Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between Company and Trustee. Within sixty (60) days following the close of each calendar year and within sixty (60) days after the removal or resignation of Trustee, Trustee shall deliver to Company a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting

forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be.

Section 8. RESPONSIBILITY OF TRUSTEE.

(a) Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however, that Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval given by Company which is contemplated by, and in conformity with, the terms of this Trust and is given in writing by Company. In the event of a dispute between Company and a party, Trustee may apply to a court of competent jurisdiction to resolve the dispute.

(b) If Trustee undertakes or defends any litigation arising in connection with this Trust, Company agrees to indemnify Trustee against Trustee's costs, expenses and liabilities

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(including, without limitation, attorneys' fees and expenses) relating thereto and to be primarily liable for such payments. If Company does not pay such costs, expenses and liabilities in a reasonably timely manner, Trustee may obtain payment from the Trust.

(c) Trustee may consult with legal counsel (who may also be counsel for Company generally) with respect to any of its duties or obligations hereunder.

(d) Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder.

(e) Trustee shall have, without exclusion, all powers conferred on Trustees by applicable law, unless expressly provided otherwise herein, provided, however, that if an insurance policy is held as an asset of the Trust, Trustee shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against such policy.

(f) Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or to applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

Section 9. COMPENSATION AND EXPENSES OF TRUSTEE.

For its services as trustee hereunder, Trustee shall be entitled to reasonable fees commensurate with its duties and responsibilities, taking into account the value and nature of the Trust and the time and work involved. Trustee shall be entitled to reimbursement for all reasonable expenses incurred by Trustee in connection with the administration of the Trust. Company may pay such fees and expenses, but if not so paid, such fees and expenses shall be paid from the assets of the Trust.

Section 10. RESIGNATION AND REMOVAL OF TRUSTEE.

(a) Trustee may resign at any time by written notice to Company, which shall be effective sixty (60) days after receipt of such notice unless Company and Trustee agree otherwise.

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(b) Trustee may be removed by Company on sixty (60) days notice or upon shorter notice accepted by Trustee.

(c) Notwithstanding any other provision of this Trust Agreement, Trustee may not be removed by Company during the two (2) year period immediately following a Change of Control, as defined herein.

(d) If Trustee resigns within two (2) years after a Change of Control, as defined herein, Company shall apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions.

(e) Upon resignation or removal of Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. The transfer shall be completed within seventy-five (75) days after receipt of notice of resignation, removal or transfer, unless Company extends the time limit.

(f) If Trustee resigns or is removed, a successor shall be appointed, in accordance with Section 11 hereof, by the effective date of resignation or removal under paragraph (a) or (b) of this section. If no such appointment has been made, Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

Section 11. APPOINTMENT OF SUCCESSOR.

If Trustee resigns or is removed in accordance with Section 10(a) or (b) hereof, Company may appoint any third party, such as a bank trust department or other party that may be granted corporate trustee powers under state law, as a successor to replace Trustee upon resignation or removal. The appointment shall be effective when accepted in writing by the new Trustee, who shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by Company or the successor Trustee to evidence the transfer.

Section 12. AMENDMENT OR TERMINATION.

(a) This Trust Agreement may be amended by a written instrument executed by Trustee and Company. Notwithstanding the foregoing, no such amendment shall conflict with the terms of the Plans or shall make the Trust revocable.

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(b) The Trust shall not terminate until the date on which Plan Participants and their beneficiaries are no longer entitled to benefits pursuant to the terms of the Plans. Upon termination of the Trust any assets remaining in the Trust shall be returned to Company.

(c) Upon written approval of all Plan Participants and beneficiaries of deceased Plan Participants, Company may terminate this Trust prior to the time all benefit payments under the Plans have been made to Plan Participants and their beneficiaries. All assets in the Trust at termination shall be returned to Company.

(d) Sections 1(f), 10(c), 10(d) and 12(a) through (d) of this Trust Agreement may not be amended by Company for two (2) years following a Change of Control, as defined herein.

Section 13. MISCELLANEOUS.

(a) Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.

(b) Benefits payable to Plan Participants and their beneficiaries under

this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.

(c) This Trust Agreement shall be governed by and construed in accordance with the internal laws (and not the principles relating to conflicts of laws) of the State of Oklahoma.

Section 14. DEFINITIONS.

Unless the context clearly indicates otherwise, for purposes of this Trust:

(1) "Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

(2) "Change of Control" means any of the following events: (i) Company's assets are sold substantially as an

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entirety to any Person or related group of Persons in any one transaction or a series of related transactions; (ii) there shall be consummated any consolidation or merger of Company (A) in which Company is not the continuing or surviving corporation (other than a consolidation or merger with a wholly-owned Subsidiary of Company in which all shares of Common Stock outstanding immediately prior to the effectiveness thereof are changed into or exchanged for the same number of shares of common stock of such Subsidiary) or (B) pursuant to which the Common Stock is converted into cash, securities or other property, in each case other than a consolidation or merger of Company in which the holders of the Common Stock immediately prior to the consolidation or merger have, directly or indirectly, at least a majority of the common stock of the continuing or surviving corporation immediately after such consolidation or merger; or (iii) any Person, or any Persons acting together which would constitute a "group" for purposes of Section 13(d) of the Exchange Act (a "Group") (other than Company, any Subsidiary, any employee stock purchase plan, stock option plan or other stock incentive plan or program, retirement plan or automatic dividend reinvestment plan or any substantially similar plan of Company or any Subsidiary or any Person holding securities of Company for or pursuant to the terms of any such employee benefit plan, which may file or become obligated to file a report under or in response to Schedule 13D or Schedule 14D-1 [or any successor schedule, form or report] under the Exchange Act), together with any Affiliates thereof, shall acquire beneficial ownership (as defined in Rule 13d-3 of the Exchange Act) of at least 50% of the total voting power of all classes of capital stock of Company entitled to vote generally in the election of directors of Company.

(3) "Common Stock" means the class designated as Common Stock, par value \$3.33-1/3 per share, of Company as of the date hereof.

(4) "Corporation" means a corporation, partnership, association, company, joint-stock company or business trust.

(5) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(6) "Person" means any individual, Corporation or government or any agency or political subdivision thereof.

(7) "Subsidiary" means a Corporation more than 50% of the outstanding voting stock or other voting or managing ownership interest of which is owned, directly or indirectly, by Company or by one or more other Subsidiaries,

or by Company and one or more other Subsidiaries. For the purposes of this definition, "voting stock" means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

Section 15. EFFECTIVE DATE.

The effective date of this Trust Agreement shall be October 1, 1994.

IN WITNESS WHEREOF, this Trust Agreement has been executed this 21st day of September, 1994.

COMPANY:
NOBLE AFFILIATES, INC.

By: /S/ Robert Kelley

Title: Chairman, President &
Chief Executive Officer

TRUSTEE:

EXCHANGE NATIONAL BANK AND TRUST COMPANY
OF ARDMORE, OKLAHOMA

By: /S/ Charles F. Williams

Title: Sr. Vice President &
Trust Officer

THE STATE OF OKLAHOMA Section
 Section
COUNTY OF Section

BEFORE ME, the undersigned authority, a notary public in and for said County and State, on this day personally appeared Robert Kelley, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said NOBLE AFFILIATES, INC., and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 21st day of September, 1994.

/S/ Carol J. Mitchell

Notary Public, State of Oklahoma

My Commission expires:

August 22, 1996

THE STATE OF OKLAHOMA Section
 Section
COUNTY OF Section

BEFORE ME, the undersigned authority, a notary public in and for said County and State, on this day personally appeared Charles F. Williams, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said EXCHANGE NATIONAL BANK AND TRUST COMPANY OF ARDMORE, OKLAHOMA, a _____, and that he executed the same as the act of such _____ for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 29th day of September, 1994.

/S/ Peggy Campbell

Notary Public, State of Oklahoma

My Commission expires:

June 30, 1998

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NOBLE AFFILIATES RESTORATION TRUST

APPENDIX A

1. Noble Affiliates Thrift Restoration Plan
2. Restoration of Retirement Income Plan for Certain Participants in the Noble Affiliates Retirement Plan

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

SIGNIFICANT EVENTS IN 1994

- The Company had record levels of oil and gas production during 1994.
- The Company expended \$189.7 million on exploration, development and acquisition costs during 1994.
- The Company replaced production of its reserves in 1994 by 175 percent on a barrel of oil equivalent - gas converted at 6:1 (BOE).
- The cost of finding of all reserves added in 1994 was \$4.64 per BOE.
- The Company reduced its short-term and long-term debt by \$172.6 million during 1994.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW FROM OPERATIONS

Net cash provided by operating activities was \$188.6 million for 1994, a 35 percent and 51 percent increase over the \$139.4 million and \$125.1 million in 1993 and 1992, respectively. Cash and short-term cash investments decreased to \$22.2 million at December 31, 1994, from \$176.4 million at year-end 1993.

During 1994, the Company utilized its beginning cash balance and cash flow from operations to reduce its debt by \$172.6 million and to fund its exploration, development and acquisition expenditures of \$189.7 million. The Company's current ratio (current assets divided by current liabilities) was 1.44:1 at December 31, 1994, compared with 1.75:1 at December 31, 1993.

RESERVES ADDED AND COST OF FINDING

During 1994, the Company spent \$189.7 million on exploration, development and acquisitions of oil and gas properties. Total proved gas reserves increased from 691.5 billion cubic feet (BCF) at year-end 1993 to 778.9 BCF at year-end 1994 and total proved oil reserves increased from 73.0 million barrels at year-end 1993 to 75.5 million barrels at year-end 1994.

One accepted method of calculating cost of finding is to divide the Company's expenditures for oil and gas exploration, development and acquisitions by the BOE's added during the year. Using this method, the Company's cost of finding for 1994 was \$4.64 per BOE. A three year schedule of cost of finding follows:

(BOE'S AND DOLLARS STATED IN MILLIONS, EXCEPT FINDING COST)	1994	1993	1992	THREE YEAR TOTAL
Oil reserves added	11.5	33.3	10.8	55.6
Gas reserves added BOE (6:1)	29.4	66.9	8.4	104.7
Total reserves added BOE	40.9	100.2	19.2	160.3
Cost incurred in oil and gas acquisition, exploration and development activities	\$190	\$515	\$76	\$781
Average finding cost per BOE	\$4.64	\$5.14	\$3.96	\$4.87*

<FN>

*Three year average

LONG-TERM FINANCING

Total long-term debt at December 31, 1994 was \$376,956,000 compared with \$453,760,000 at December 31, 1993. Ratio of long-term debt to book capital (defined as the Company's long-term debt plus its equity) at December 31, 1994 was 48 percent compared with 52 percent at December 31, 1993.

In October 1993, the Company issued \$230,000,000 4 1/4% Convertible Subordinated Notes Due 2003 which are convertible into common stock of the Company, at any time prior to maturity, at \$36.65 per share.

Also in October 1993, the Company issued \$100,000,000 7 1/4% Notes Due 2023. The Company may not redeem any portion of these notes prior to maturity.

The Company borrowed \$175 million on October 1, 1993 from its then existing bank line of credit to bridge finance the acquisition of \$305 million of producing properties. The proceeds from both October 1993 debt issues were used to repay,

(This page contained two graphs in the body of the text: Gas Reserves Added for three years and Oil Reserves Added for three years)

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in full, the bank debt on October 21, 1993, as well as for other general corporate purposes.

The Company has a bank credit agreement with certain banks which provides for maximum unsecured borrowings of \$100 million at variable rates. The Company borrowed \$48 million on June 1, 1994, and used the proceeds, plus available cash balances, to redeem its \$125,000,000 10 1/8% Notes Due June 1, 1997. No other borrowings have occurred against the line of credit. The interest rate is a variable rate based on the lower of one of three interest rate options. The weighted average interest rate on the borrowings during 1994 was 5 percent.

During the next five years no principal payments of long-term debt are required except for \$48 million outstanding under the bank credit agreement, which is due May 31, 1997.

In conjunction with the acquisition of certain producing properties from Freeport-McMoRan, the Company issued a short-term installment note for \$95.6 million on October 1, 1993. On January 4, 1994, the Company paid the installment note including accrued interest.

On May 10, 1993, the Company called its \$100,000,000 7 1/4% Convertible Debentures Due 2012. As a result of the call for redemption, owners of \$98,155,000 of the debentures elected to convert into a total of 5,001,373 shares of common stock. The debentures were converted into shares of the Company's common stock at \$19 5/8 per share. The remaining \$1,845,000 was redeemed with cash at 103.63 percent of the principal amount, plus accrued interest to the redemption date.

OTHER

The Company follows an entitlements method of accounting for its gas imbalances. The Company's estimated gas imbalance receivables were \$11.7 million and \$12.9 million at December 31, 1994 and 1993, respectively, and estimated gas imbalance liabilities were \$10.5 million and \$7.6 million at December 31, 1994 and 1993, respectively. These imbalances are valued at the amount which is expected to be received or paid to settle the imbalances. The settlement of the imbalances can occur either during, or at the end of the life of a well, on a volume basis or by cash settlement. The Company does not expect that a significant portion of the settlements will occur in any one year. Thus, the Company believes the periodic settlement of gas imbalances will have little impact on its liquidity.

The Company has sold a number of nonstrategic onshore oil and gas properties over the past three years, recognizing a gain of \$137,000 and \$128,000 for 1994 and 1993, respectively, and a loss of \$711,000 for 1992. Total amounts of oil and gas reserves associated with these disposals during the last three years were 1,008,000 barrels (BBLs) of oil and 5.0 BCF of gas. The Company believes the disposal of nonstrategic properties furthers the goal of concentrating its efforts on its strategic properties.

The Company has paid quarterly dividends of \$.04 per share since August 21, 1989, and currently anticipates it will continue to pay quarterly dividends of \$.04 per share.

During 1993, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes." The effect of

adopting SFAS No. 109 was not material to the Company's financial position and results of operations. For additional information on SFAS No. 109, see Note 4 to the financial statements.

Also during 1993, the Company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." The effect of adopting SFAS No. 106 was not material to the Company's financial position and results of operations. For additional information on SFAS No. 106, see Note 6 to the financial statements.

The Company adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits" in 1994. The impact of SFAS No. 112 was not material to the Company's consolidated financial position or results of operations.

(This page contained two graphs in the body of the text: Costs Incurred for Acquisitions, Exploration and Development for three years and Average Finding Cost Per BOE for three years)

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RESULTS OF OPERATIONS

NET INCOME AND REVENUES

Net income for 1994 was \$3.2 million, or \$.06 per share, down 75 percent from 1993 net income of \$12.6 million, or \$.26 per share, and down 92 percent from 1992 net income of \$41.2 million, or \$.93 per share. Oil and gas revenues for 1994 were \$306.2 million, up 10 percent from 1993 and up 18 percent from 1992. Despite increased revenues and cash flows for 1994, which resulted from higher production volumes for both oil and gas, net income for the year decreased. This decrease was due to higher exploration and depreciation, depletion and amortization (DD&A) expenses.

Average oil price in 1994 was \$14.90 per barrel, a 6 percent decrease from the 1993 average of \$15.91 per barrel. Average gas price decreased 6 percent in 1994 to \$1.97 per thousand cubic feet (MCF) from the 1993 average of \$2.10 per MCF. Exploration expense increased 49 percent in 1994, as compared to 1993, primarily due to increased dry hole expense in the Company's offshore division, Canada and Tunisia. Such increases in exploration expense reflect the Company's increased level of drilling activity in 1994. The current year's DD&A increased 19 percent over 1993 due to higher production volumes and slightly higher unit rates.

Revenues and net income for 1992 included a pretax gain of \$27.9 million on the sale of the Company's investment in Natural Gas Clearinghouse (NGC), and the receipt of \$7.5 million from a gas contract settlement.

NATURAL GAS INFORMATION

Gas sales for 1994 increased 10 percent to \$174.5 million from \$159.2 million in 1993. Gas sales in 1993 increased 19 percent from \$134.2 million in 1992. Average daily production in 1994 increased 17 percent to 247.6 million cubic feet (MMCF) from 211.1 MMCF in 1993. Average daily production in 1993 increased 3 percent from 204.6 MMCF in 1992. Average daily production during 1994 ranged from a low of 174.3 MMCF in October, as a result of the Company's election to shut in approximately 80 MMCF per day due to low prices, to a high of 276.1 MMCF in March.

The average gas price in 1994 decreased 6 percent to \$1.97 per MCF, from \$2.10 per MCF in 1993. The average gas price in 1993 increased 8 percent from \$1.81 per MCF in 1992. In 1994, the Company's average gas prices ranged from a low of \$1.59 per MCF in October to a high of \$2.34 per MCF in March. Gas revenues for 1993 and 1992 reflect reduced values of \$3.7 million and \$3.4 million, respectively, relating to hedging production at prices below the ultimate spot price for gas. This lowered the average gas price received by \$.048 per MCF and \$.045 per MCF for 1993 and 1992, respectively. During 1994, all gas hedging activity was accomplished by the Company's new wholly owned subsidiary, Noble Gas Marketing, Inc. (NGM), which hedged approximately 11 percent of the Company's average daily production at prices ranging from \$1.33 to \$1.92 per million British thermal units (MMBTU). The hedging gains and losses for 1994 are included in gathering, marketing and processing revenues, and are not included in the average product prices.

A three-year summary of gas related information follows:

	1994	1993	1992
Proved reserves at year end (MMCF)	778,950	691,530	372,223
Gas revenues (millions)	\$174.5	\$159.2	\$134.2
Average gas price per MCF*	\$1.97	\$2.10	\$1.81
Average daily production (MMCF)	247.6	211.1	204.6
Gas sales as a % of oil and gas sales	59%	59%	53%

<FN>
*The above amount reflects a reduction of \$.048 per MCF in 1993 and \$.045 per MCF in 1992 from hedging.

(This page contained two graphs in the body of the text: Gas Revenues for three years and Oil Revenues for three years)

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CRUDE OIL INFORMATION

Oil sales for 1994 increased 10 percent to \$122.9 million from \$111.3 million in 1993. Oil sales for 1993 decreased 7 percent from \$120.2 million in 1992. Average daily production increased 17 percent to 22,751 barrels from 19,496 barrels in 1993 and 9 percent in 1993 from 17,826 barrels in 1992. Offsetting the benefit of the production increases was a decrease in average oil prices for 1994 and 1993 of 6 percent and 15 percent, respectively.

Average oil price decreased to \$14.90 per barrel in 1994 from the \$15.91 per barrel average price in 1993 and from \$18.68 per barrel in 1992. The Company believes prices should improve moderately over time, but when conditions warrant, price hedging may be used to minimize exposure to price volatility. The Company's oil revenues in 1993 and 1992 include approximately \$100,000 and \$2.1 million of hedging income, respectively, which increased the average oil price for 1993 by \$.02 per barrel, and for 1992 by \$.33 per barrel. The Company did not hedge any of its oil production during 1994 and had no hedged positions outstanding at year end.

International sales accounted for 16 percent of 1994 oil sales. During 1993 and 1992, international oil sales accounted for 19 percent and 23 percent of oil sales, respectively. Average daily oil production from properties outside the United States was 3,329 barrels in 1994, 3,465 barrels in 1993, and 4,194 barrels in 1992. It is anticipated that international sales in 1995 will not vary significantly from 1994 levels.

A three-year summary of oil related information follows:

	1994	1993	1992
Proved reserves at year end (thousands of barrels)			
Working interest	73,147	70,245	45,400
Royalty interest (1)	2,380	2,710	1,980
Total	75,527	72,955	47,380
Oil revenues (millions)	\$122.9	\$111.3	\$120.2
Average oil price per barrel (2)	\$14.90	\$15.91	\$18.68
Average daily production (barrels)	22,751	19,496	17,826
Oil sales as a % of			

oil and gas sales 41% 41% 47%

<FN>

(1) Includes royalty oil, condensate and gas reserves stated in BOE's.

(2) Includes \$.02 per barrel in 1993 and \$.33 per barrel in 1992 from hedging income.

COSTS AND EXPENSES

In 1994, oil and gas exploration expense increased \$17.8 million over 1993 to \$54.3 million. The increase resulted from a \$21.3 million increase in dry hole expense in 1994, which was partially offset by a \$4.3 million decrease in undeveloped lease amortization. Dry hole expense increased as a result of higher exploration activity during 1994. In 1993, oil and gas exploration expense increased \$7.5 million over 1992 to \$36.5 million. The 1993 increase resulted from a \$2.3 million increase in dry hole expense, a \$1.7 million increase in undeveloped lease amortization and a \$4.2 million increase in abandoned assets.

In 1994, oil and gas operations expense decreased \$.4 million from 1993 to \$74.7 million. This decrease occurred in spite of increased oil and gas production, and can be explained by several factors: (1) International operations expense in 1994 decreased approximately \$3 million due to the sale of the Company's Camar property in Indonesia, as well as lower operating costs incurred in the Company's remaining international operations. (2) In the fourth quarter of 1993, operations expense reflected expenses being charged to the Company on acquired properties. In 1994, the Company absorbed the operations for these acquired properties with little incremental cost, resulting in limited increases in operations expense notwithstanding increased production. (3) In 1994, the Company incurred fewer workover expenses, thereby reducing operations expense from 1993 levels.

(This page contained two graphs in the body of the text: Net Income for three years and Average Production and Lifting Cost Per BOE for three years)

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In 1993, oil and gas operations expense increased \$6.7 million over 1992 to \$75.1 million. Approximately \$3.6 million of the 1993 increase was attributable to properties purchased during 1993.

In 1994, DD&A expense increased \$20.3 million over 1993 to \$127.5 million. This increase resulted primarily from higher oil and gas production volumes predominantly from properties acquired in late 1993, along with a \$6.8 million increase due to reserve writedowns on three offshore Louisiana blocks and approximately \$3 million on other properties. DD&A expense for 1993 increased \$12.4 million over 1992 to \$107.2 million. In 1993, DD&A expense associated with acquired properties was \$15.2 million, and \$4.7 million was due to a reserve writedown on the Company's Camar property in Indonesia. The unit rate of DD&A expense per BOE, converting gas to oil on a 6:1 basis, was \$5.46 for 1994, \$5.37 for 1993 and \$5.00 for 1992.

The Company provides for the cost of future liabilities related to restoration and dismantlement costs for offshore facilities. This provision is based on the Company's best estimate of such costs to be incurred in future years based on information from the Company's engineers. These estimated costs are provided through DD&A expense using a ratio of production divided by reserves multiplied by the estimated costs to dismantle and restore. The Company has provided \$31.1 million for such future costs which are classified in accumulated DD&A on the balance sheet. Total estimated future dismantlement and restoration costs of \$71.4 million are included in future production and development costs for purposes of estimating the future net revenues relating to the Company's proved reserves.

In 1994, selling, general and administrative (SG&A) expense increased \$4.6 million over 1993 to \$36.4 million. This increase was due, in part, to the start-up operations of the Company's marketing subsidiary, which sustained \$1.2 million in SG&A expense in 1994, along with \$2.2 million for various divisions which hired additional personnel to oversee increased operations. In 1993, SG&A expense increased \$686,000 over 1992 to \$31.8 million. The 1993 increase was due to personnel relocation expenses as the result of closing the Midland, Texas office.

INTEREST EXPENSE

In 1994, interest expense increased \$4.3 million over 1993 to \$24.7 million. This increase was due, in part, to recognizing a full year's interest on the Company's \$330 million of notes issued in late 1993, which caused an increase of \$13.7 million. Offsetting the increase was a decrease of \$7.4 million attributable to redemption in June 1994 of the Company's \$125,000,000 10 1/8% Notes Due June 1, 1997 and an additional decrease of \$2.5 million resulted from redemption in May 1993 of the Company's \$100,000,000 7 1/4% Convertible Debentures Due 2012. Interest expense in 1993 of \$20.4 million remained flat with 1992 levels.

In 1994, capitalized interest increased \$2.1 million over 1993 to \$7.2 million. This increase is primarily due to a \$1.4 million increase in interest capitalized on East Cameron blocks 320, 331 and 332 which were acquired during 1993 and in which development was completed during 1994. In 1993, capitalized interest increased \$3.8 million over 1992 to \$5.1 million. The 1993 increase was primarily due to interest capitalization on these properties.

(This page contained two graphs in the body of the text: DD&A Expense Per BOE of Production for three years and SG&A Expense Per BOE of Production for three years)

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MARKETING SUBSIDIARY

In June 1994, NGM began marketing the Company's natural gas as well as third-party gas. NGM's business plan calls for it to sell gas directly to end-users, gas marketers, industrial users, interstate and intrastate gas pipelines, and local distribution companies. The Company records all of NGM's sales as gathering, marketing and processing revenues. All inter-company sales and costs have been eliminated.

In 1994, NGM recorded \$43.9 million in gathering, marketing and processing revenues and \$42.8 million in gathering, marketing and processing expenses, generating a gross margin of \$1.1 million for the year. The gross margin was offset by administrative expenses of \$1.2 million, resulting in a loss for NGM's initial year of operations.

FUTURE TRENDS

The Company's oil and gas production capabilities have increased during 1994 as a result of development of new properties in the Gulf of Mexico. Despite lower natural gas prices, the Company expects its average daily production to increase in 1995 over 1994.

Other income would increase during 1995 if the Company receives a settlement from Columbia Gas Transmission Corporation (Columbia). Samedan Oil Corporation (Samedan), a wholly owned subsidiary of the Company, is an unsecured creditor of Columbia, which filed for protection from creditors under Chapter 11 of the Federal Bankruptcy Code on July 31, 1991. Samedan and Columbia are parties to a gas sales contract which was rejected by Columbia in its bankruptcy proceeding. On March 16, 1992, Samedan filed a proof of claim with the bankruptcy court in the amount of approximately \$117 million covering approximately \$3 million for the contract price on prepetition gas purchases, approximately \$2 million for the contract price due on prepetition take or pay obligations and approximately \$112 million for damages arising from the rejection of Samedan's gas sales contract. The full amount of Samedan's claim is classified as an unsecured claim.

Except for the \$3 million receivable recorded for prepetition gas purchased by Columbia, the Company's financial statements do not reflect any other receivables from Columbia relative to the Company's claims. It is unknown whether resolution of Samedan's claim will occur in 1995, or at what amount the ultimate resolution of the claims may be settled.

The Company recently set its 1995 capital budget at \$206 million. During 1994, the Company spent \$166.1 million in capital expenditures. The Company plans an active exploration and development program in its domestic onshore and offshore divisions along with its Canadian and Tunisian operations. Such capital budget and exploration expenditures are planned to be funded through

internally generated cash flows.

Management believes that the Company is well positioned with its balanced reserves of oil and gas to take advantage of future price increases that may occur. However, the uncertainty of oil and gas prices continues to affect the domestic oil and gas industry. Due to the volatility of oil and gas prices, the Company, from time to time, has used hedging and plans to do so in the future as a means of controlling its exposure to price changes.

Spot gas prices in early 1995 have decreased from the prior year's prices primarily as a result of mild winter conditions in much of the United States, while oil prices have increased slightly as a result of worldwide demand. The Company cannot predict the extent to which its revenues will be affected by inflation, government regulation or changing prices.

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SELECTED FINANCIAL DATA

NOBLE AFFILIATES, INC. AND SUBSIDIARIES

	YEAR ENDED DECEMBER 31,				
(IN THOUSANDS, EXCEPT PER SHARE AND RATIOS)	1994	1993	1992	1991	1990
REVENUES AND INCOME					
Revenues	\$358,389	\$286,583	\$303,782	\$250,417	\$243,196
Net cash provided by operating activities	188,621	139,381	125,107	89,179	107,188
Net income	3,166	12,625	41,240	19,308	28,554
PER SHARE DATA					
Net income	\$.06	\$.26	\$.93	\$.44	\$.65
Cash dividends	.16	.16	.16	.16	.16
Year end stock prices	24.75	26.50	17.63	13.63	14.13
Average shares outstanding	49,970	48,098	44,341	44,135	43,986
FINANCIAL POSITION					
Property, plant and equipment, net:					
Oil and gas mineral interests, equipment and facilities	\$804,009	\$784,235	\$409,740	\$458,892	\$437,363
Total assets	933,516	1,067,996	625,621	589,642	588,071
Long-term obligations:					
Long-term debt	376,956	453,760	224,793	224,746	224,699
Deferred income taxes	61,802	45,108	33,378	35,227	38,172
Other	10,704	7,158	7,010	8,488	9,985
Shareholders' equity	412,066	415,432	304,779	264,509	250,851
Ratio of long-term debt to shareholders' equity	.91	1.09	.74	.85	.90
CAPITAL EXPENDITURES					
Oil and gas mineral interests, equipment and facilities	\$158,973	\$508,506	\$ 64,066	\$121,378	\$90,588
Other	2,371	1,607	1,744	3,970	6,766
Total capital expenditures	\$161,344	\$510,113	\$ 65,810	\$125,348	\$97,354

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

OPERATING STATISTICS

	YEAR ENDED DECEMBER 31,				
	1994	1993	1992	1991	1990

GAS

Sales (in millions)	\$174.5	\$159.2	\$134.2	\$111.1	\$113.2
Production (MMCF per day)	247.6	211.1	204.6	178.4	158.2
Average price (per MCF)	\$ 1.97	\$ 2.10	\$ 1.81	\$ 1.74	\$2.00
OIL					
Sales (in millions)	\$122.9	\$111.3	\$120.2	\$109.2	\$102.9
Production (BBLs per day)	22,751	19,496	17,826	15,001	12,856
Average price (per BBL)	\$14.90	\$15.91	\$18.68	\$20.39	\$22.47
Royalty sales (in millions)	\$ 8.8	\$ 7.5	\$ 5.4	\$ 6.2	\$ 6.8

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CONSOLIDATED BALANCE SHEET

NOBLE AFFILIATES, INC. AND SUBSIDIARIES

	DECEMBER 31,	
(IN THOUSANDS OF DOLLARS)	1994	1993
ASSETS		
CURRENT ASSETS:		
Cash and short-term cash investments	\$ 22,192	\$ 176,432
Accounts receivable - trade	49,692	66,314
Materials and supplies inventories	3,591	3,302
Other current assets	28,412	10,516
Total current assets	103,887	256,564
PROPERTY, PLANT AND EQUIPMENT AT COST:		
Oil and gas mineral interests, equipment and facilities (successful efforts method of accounting)	1,560,392	1,460,937
Other	28,067	26,131
Accumulated depreciation, depletion and amortization	(775,079)	(692,463)
Total property, plant and equipment, net	813,380	794,605
OTHER ASSETS	16,249	16,827
	\$ 933,516	\$1,067,996
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable - trade	\$ 46,473	\$ 29,354
Other current liabilities	21,747	19,241
Short-term borrowing		95,600
Income taxes - current	3,768	2,343
Total current liabilities	71,988	146,538
DEFERRED INCOME TAXES	61,802	45,108
OTHER DEFERRED CREDITS AND NONCURRENT LIABILITIES	10,704	7,158
LONG-TERM DEBT	376,956	453,760
SHAREHOLDER'S EQUITY:		
Preferred stock - par value \$1; 4,000,000 shares authorized, none issued		
Common stock - par value \$3.33 1/3; 100,000,000 shares authorized; 51,537,455 and 51,461,122 shares issued in 1994 and 1993, respectively	171,790	171,535
Capital in excess of par value	141,911	140,703
Retained earnings	113,783	118,612
	427,484	430,850
Less common stock in treasury, at cost (1994 and 1993, 1,524,900 shares)	(15,418)	(15,418)
Total shareholders' equity	412,066	415,432

 \$ 933,516 \$1,067,996

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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CONSOLIDATED STATEMENT OF OPERATIONS NOBLE AFFILIATES, INC. AND SUBSIDIARIES

	YEAR ENDED DECEMBER 31,		
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	1994	1993	1992
<hr/>			
REVENUES:			
Oil and gas sales and royalties	\$306,169	\$278,004	\$259,765
Gathering, marketing and processing	43,921		
Other income	8,299	8,579	44,017
	-----	-----	-----
	358,389	286,583	303,782
<hr/>			
COSTS AND EXPENSES:			
Oil and gas exploration	54,321	36,473	28,950
Oil and gas operations	74,661	75,110	68,371
Gathering, marketing and processing	42,758		
Depreciation, depletion and amortization	127,470	107,215	94,819
Selling, general and administrative	36,408	31,784	31,098
Interest	24,729	20,402	20,482
Interest capitalized	(7,183)	(5,060)	(1,260)
	-----	-----	-----
	353,164	265,924	242,460
<hr/>			
INCOME BEFORE TAXES	5,225	20,659	61,322
<hr/>			
INCOME TAX PROVISIONS:			
Current	(10,462)	558	18,816
Deferred	12,521	7,476	1,266
	-----	-----	-----
	2,059	8,034	20,082
<hr/>			
NET INCOME	\$ 3,166	\$ 12,625	\$ 41,240
<hr/>			
NET INCOME PER SHARE	\$.06	\$.26	\$.93
<hr/>			
AVERAGE NUMBER SHARES OUTSTANDING	49,970	48,098	44,341
<hr/>			

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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CONSOLIDATED STATEMENT OF CASH FLOWS NOBLE AFFILIATES, INC. AND SUBSIDIARIES

	YEAR ENDED DECEMBER 31,		
(IN THOUSANDS OF DOLLARS)	1994	1993	1992
<hr/>			
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 3,166	\$ 12,625	\$41,240
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	127,470	107,215	94,819
Amortization of undeveloped lease costs, net	7,813	12,063	10,352

Gain on sale of investment in unconsolidated affiliate			(27,956)
Gain on sale of marketable securities			(849)
Loss on disposal of assets	2,213	4,821	1,455
Noncurrent deferred income taxes	16,694	11,730	(1,849)
Increase (decrease) in other deferred credits	3,546	148	(1,478)
Decrease in other assets	8,232	3,744	3,676
Changes in working capital, not including cash:			
(Increase) decrease in accounts receivable	16,622	(4,445)	2,892
(Increase) decrease in other current assets	(18,185)	(5,789)	3,816
Increase (decrease) in accounts payable	17,119	(194)	(6,571)
Increase (decrease) in other current liabilities	3,931	(2,537)	5,560
NET CASH PROVIDED BY OPERATING ACTIVITIES	188,621	139,381	125,107
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(166,121)	(508,506)	(66,365)
Proceeds from sale of property, plant and equipment	2,392	10,606	9,164
Proceeds from sale of investment in unconsolidated affiliate			49,100
Proceeds from sale of marketable securities			1,454
NET CASH USED IN INVESTING ACTIVITIES	(163,729)	(497,900)	(6,647)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Retirement of) proceeds from issuance of long-term debt	(125,000)	324,589	
(Retirement of) proceeds from short-term debt for property acquisition	(95,600)	95,600	
Proceeds from bank borrowings	48,000		
Exercise of stock options	1,463	5,647	6,122
Cash dividends paid	(7,995)	(7,766)	(7,092)
Cash redemption of convertible debt		(1,845)	
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(179,132)	416,225	(970)
INCREASE (DECREASE) IN CASH AND SHORT-TERM CASH INVESTMENTS	(154,240)	57,706	117,490
CASH AND SHORT-TERM CASH INVESTMENTS AT BEGINNING OF YEAR	176,432	118,726	1,236
CASH AND SHORT-TERM CASH INVESTMENTS AT END OF YEAR	\$ 22,192	\$ 176,432	\$118,726
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest (net of amount capitalized)	\$ 18,603	\$ 13,335	\$ 18,933
Income taxes	\$ 660	\$ 5,300	\$ 19,667

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

NOBLE AFFILIATES, INC. AND SUBSIDIARIES

(IN THOUSAND OF DOLLARS)	COMMON STOCK		CAPITAL IN EXCESS OF PAR VALUE	TREASURY STOCK AT COST	RETAINED EARNINGS
	SHARES	AMOUNT			
JANUARY 1, 1992	45,720,323	\$152,399	\$47,923	\$ (15,418)	\$79,605
Net Income					41,240
Exercise of stock options	412,019	1,373	4,749		
Cash dividends (\$.16 per share)					(7,092)
DECEMBER 31, 1992	46,132,342	\$153,772	\$52,672	\$ (15,418)	\$113,753
Net Income					12,625

Exercise of stock options	327,407	1,092	4,555		
Redemption of convertible debentures	5,001,373	16,671	83,476		
Cash dividends (\$.16 per share)					(7,766)
-----	-----	-----	-----	-----	-----
DECEMBER 31, 1993	51,461,122	\$171,535	\$140,703	\$(15,418)	\$118,612
-----	-----	-----	-----	-----	-----
Net Income					3,166
Exercise of stock options	76,333	255	1,208		
Cash dividends (\$.16 per share)					(7,995)
-----	-----	-----	-----	-----	-----
DECEMBER 31, 1994	51,537,455	\$171,790	\$141,911	\$(15,418)	\$113,783
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SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLAR AMOUNTS IN TABLES, UNLESS OTHERWISE INDICATED, ARE IN THOUSANDS,
EXCEPT PER SHARE AMOUNTS.)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION

The consolidated accounts include Noble Affiliates, Inc. (the Company) and the consolidated accounts of its wholly owned subsidiaries: Samedan Oil Corporation (Samedan) and Noble Gas Marketing, Inc. (NGM). Samedan's consolidated accounts include the following wholly owned subsidiaries: Samedan Oil of Canada, Inc.; Samedan Oil of Indonesia, Inc.; Samedan of North Africa, Inc.; Samedan Pipe Line Corporation; Samedan Royalty Corporation; and Samedan of Tunisia, Inc. NGM's consolidated accounts also include Noble Gas Pipeline, Inc. All significant intercompany transactions and balances have been eliminated.

FOREIGN CURRENCY TRANSLATION

The U.S. dollar is considered the functional currency for each of the Company's international operations with the exception of Canada. The functional currency for the Canadian subsidiary is the Canadian dollar which has been translated into the U.S. dollar for the financial statements. Translation gains or losses were not material in any of the periods presented.

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INVENTORIES

Materials and supplies inventories consisting principally of tubular goods and production equipment are stated at the lower of cost or market, with cost being determined by the first-in, first-out method.

PROPERTY, PLANT AND EQUIPMENT

The Company accounts for oil and gas properties under the successful efforts method of accounting. Under this method, costs to acquire mineral interests in oil and gas properties, to drill and equip exploratory wells that find proved reserves and to drill and equip development wells are capitalized. Capitalized costs of producing oil and gas properties are amortized to operations by the unit-of-production method based on proved developed oil and gas reserves allocated property by property as estimated by Company engineers. Estimated future restoration and abandonment costs are recorded by charges to depreciation, depletion and amortization expense over the productive lives of the related properties. The Company has provided \$31.1 million for such future costs classified with accumulated DD&A in the balance sheet. The total estimated future dismantlement and restoration costs of \$71.4 million are included in future production and development costs for purposes of estimating the future net revenues relating to the Company's proved reserves. Upon sale or retirement of depreciable or depletable property, the cost and related accumulated DD&A are eliminated from the accounts and the resulting gain or loss is recognized.

Undeveloped oil and gas properties, which are individually significant, are periodically assessed for impairment of value and a loss is recognized at

the time of impairment by providing an impairment allowance. Other undeveloped properties are amortized on a composite method based on the Company's experience of successful drilling and average holding period. Geological and geophysical costs, delay rentals and costs to drill exploratory wells which do not find proved reserves are expensed.

Repairs and maintenance are charged to expense as incurred. Renewals and betterments are capitalized.

INCOME TAXES

The Company files a consolidated federal income tax return. Deferred income taxes are provided for temporary differences between the financial reporting and tax bases of the Company's assets and liabilities.

NET INCOME PER SHARE

Net income per share of common stock has been computed on the basis of the weighted average number of shares outstanding during each period. The effect of shares issuable upon the exercise of stock options is immaterial. The convertible subordinated notes, which are not common stock equivalents, have not been included in computing fully diluted earnings per share since their inclusion would be antidilutive.

CAPITALIZATION OF INTEREST

The Company capitalizes interest costs associated with the acquisition or construction of significant oil and gas properties.

STATEMENT OF CASH FLOWS

For purposes of reporting cash flows, cash and short-term cash investments include cash on hand and investments purchased with original maturities of three months or less.

REVENUE RECOGNITION AND GAS IMBALANCES

Samedan has a gas sales contract with NGM, whereby Samedan is paid an index price for all gas sold to NGM. NGM records sales, including hedging transactions, as gathering, marketing and processing revenues. NGM records as cost of sales in gathering, marketing and processing costs, the amount paid to Samedan and third parties. All inter-company sales and costs have been eliminated.

The Company follows an entitlements method of accounting for its gas imbalances. Gas imbalances occur when the Company sells more or less gas than its entitled ownership percentage of total gas production. Any excess amount received above the Company's share is treated as a liability. If less than the Company's entitlement is received, the underproduction is recorded as a receivable. The Company records the noncurrent liability in Other Deferred Credits and Noncurrent Liabilities, and the current liability in Other Current Liabilities. The Company's gas imbalance liabilities were \$10.5 million and \$7.6 million for 1994 and 1993, respectively. The Company records the noncurrent receivable in Other Assets, and the current receivable in Other Current Assets. The Company's gas imbalance receivables were \$11.7 million and \$12.9 million for 1994 and 1993, respectively, and are valued at the amount which is expected to be received.

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TAKE-OR-PAY SETTLEMENTS

The Company records gas contract settlements which are not subject to recoupment in Other Income when the settlement is received.

TRADING AND HEDGING ACTIVITIES

The Company uses oil and gas swap agreements to hedge both fixed term sales and sales of its oil and gas production in order to obtain a fixed margin and minimize price risk. Under the swap agreements, the Company receives or makes payments based on the differential between a specified price and the actual price of oil and gas. At December 31, 1994, the Company had six swap transactions for January 1995 with broker-dealers that

represented approximately 38,000 MMBTU of gas per day with prices ranging from \$1.50 to \$1.59 per MMBTU. The Company also had three swaps for January through November 1995 with broker-dealers that relate to term contract sales for approximately 9,000 MMBTU of gas per day at \$1.63 per MMBTU. During the second half of 1994, the Company hedged approximately 11 percent of its average daily gas production at prices ranging from \$1.33 to \$1.92 per MMBTU. The Company had no outstanding oil hedge positions at year-end 1994 and hedged none of its 1994 oil production. During 1994, the Company recorded trading and hedging gains or losses in gathering, marketing and processing revenues in the period the related contract was completed. In 1993 and 1992, hedging gains or losses were recorded in oil and gas sales.

NOTE 2 - DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments pursuant to the requirements of Statements of Financial Accounting Standards (SFAS) No. 107, "Disclosures about Fair Value of Financial Instruments":

CASH AND SHORT-TERM CASH INVESTMENTS

The carrying amount approximates fair value due to the short maturity of the instruments.

OIL AND GAS PRICE SWAP AGREEMENTS

The fair value of oil and gas price swaps (used for hedging purposes) is the estimated amount the Company would receive or pay to terminate the swap agreements at the reporting date, taking into account the difference between year-end oil and gas prices and the fixed swap price and the creditworthiness of the swap parties.

LONG-TERM DEBT

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities.

The carrying amounts and estimated fair values of the Company's financial instruments are as follows:

	1994		1993	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Cash and short-term cash investments	\$ 22,192	\$22,192	\$176,432	\$176,432
Oil and gas price swap agreements		\$ 56		
Long-term debt	\$376,956	\$321,325	\$453,760	\$453,221

NOTE 3 - DEBT

A summary of debt at December 31 follows:

	1994	1993
4 1/4% Convertible Subordinated Notes Due 2003	\$230,000	\$230,000
7 1/4% Notes Due 2023	100,000	100,000
Bank Credit Agreement	48,000	
10 1/8% Notes Due June 1, 1997		125,000
Short-term borrowing		95,600
	378,000	550,600
Less: unamortized discount short-term borrowing	1,044	1,240
		95,600

Domestic	\$12,148	\$ 39,564	\$ 78,155
Foreign	(6,923)	(18,905)	(16,833)

	\$ 5,225	\$ 20,659	\$ 61,322

The income tax provisions relating to operations for each year consist of the following:

	1994	1993	1992

U.S. current	\$(10,462)	\$ 327	\$18,566
U.S. deferred	13,140	7,701	931
State current		231	250
State deferred	(31)	85	8
Foreign current			
Foreign deferred	(588)	(310)	327

	\$2,059	\$8,034	\$20,082

The effect of the federal corporate tax rate increase in 1993 to 35 percent resulted in an increase in the U.S. deferred tax provision and related liability of \$1.1 million which is reflected in the above table.

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The net current deferred tax asset in the following table is classified as Other Current Assets in the Consolidated Balance Sheet at December 31, 1994 and 1993. The tax effects of temporary differences which gave rise to deferred tax assets and liabilities as of December 31 were:

	1994	1993

U.S. and State Current Deferred		
Tax Assets:		
Accrued expenses	\$ 743	\$ 554
Deferred income	(49)	100
Minimum tax	3,655	624
Other	751	(351)

Net current deferred tax asset	5,100	927

U.S. and State Non-current		
Deferred Tax Liabilities:		
Property, plant and equipment, principally due to differences in depreciation, amortization, lease impairment and abandonments	(62,050)	(45,841)
Income tax accruals	690	906
Other	(442)	415

Net non-current deferred liability	(61,802)	(44,520)

U.S. and state net deferred tax liability	(56,702)	(43,593)

Foreign Deferred Tax Liabilities:		

Property, plant and equipment of foreign operations	7,532	5,929
Net operating loss carryforwards due to foreign operations		2,817

Foreign deferred asset	7,532	8,746
Valuation allowance	(7,532)	(9,334)

Deferred tax liability		(588)

Total deferred taxes	\$ (56,702)	\$ (44,181)

A valuation allowance of \$7,532,000 and \$9,334,000 for 1994 and 1993, respectively, related to the Company's foreign operations, was established for the portion of the deferred tax assets which management believes is unlikely to have a tax benefit realized.

At December 31, 1993, the Company had foreign net operating loss carryforwards of \$6.3 million that had no expiration dates. These loss carryforwards were fully utilized in 1994.

Prior to the change in the method of accounting for income taxes discussed above, the sources of deferred tax items and the corresponding tax effects for the year ended December 31, 1992 were as follows:

	1992

Capitalized intangible development costs expensed for tax purposes in excess of book dry hole expense	\$ 9,653
Excess of book over tax amortization and depletion of capitalized intangible development and producing leasehold costs	(11,941)
Interest capitalized for book purposes, expensed for tax purposes	437
Excess of book over tax amortization of undeveloped leaseholds	(3,540)
Seismic costs expensed for book purposes, capitalized for tax	(1,423)
Disposal of assets book/tax difference	4,681
Accrued expenses	2,015
Insurance proceeds reported for book in excess of tax	1,510
Other, net	(126)

	\$ 1,266

The following table details the difference between the federal statutory tax rate and the effective tax rate for the years ended December 31:

(AMOUNTS EXPRESSED IN PERCENTAGES)	1994	1993	1992

Statutory rate	35.0	35.0	34.0
Effect of:			
One percent rate increase on prior year temporary differences		5.0	
Percentage depletion	(2.2)	.6	.3
State taxes	.1	1.1	.4
Net operating loss carryback	7.9		
Other, net	(1.4)	(2.8)	(2.0)

Effective rate	39.4	38.9	32.7

NOTE 5 - COMMON STOCK AND STOCK OPTIONS

At December 31, 1994, there were 1,210,708 shares available for grant under the Company's 1992 Stock Option and Restricted Stock Plan and its 1988 Non-Employee Director Stock Option Plan.

Under the Company's 1992 Stock Option and Restricted Stock Plan, adopted in January 1992, the Board of Directors may grant stock options and award restricted stock. The Plan allows stock options to be issued at the market price on the date of grant. The options may be exercised over a three year period at the rate of 33 1/3% each year commencing on the first anniversary of the grant date and expiring ten years from the grant date. The plan covers a maximum of 2,000,000 shares of the Company's authorized but unissued common stock. At December 31, 1994, the Company had reserved 1,957,942 shares of its common stock for issuance under its 1992 stock option plan.

The Company's 1988 Non-Employee Director Stock Option Plan, adopted in July 1988, allows stock options to be issued at the market price on the date of grant. The options may be exercised one year after issue and expire ten years from the grant date. The Plan provides for the grant of options to purchase a maximum of 250,000 shares of the Company's authorized but unissued common stock. At December 31, 1994, the Company had reserved 179,500 shares of its common stock for issuance under its 1988 stock option plan.

Stock options outstanding under the Plans mentioned above and two previously terminated plans are presented for the periods indicated.

	NUMBER OF SHARES	OPTION PRICE RANGE

OUTSTANDING DECEMBER 31, 1991	1,394,907	\$10.63-\$17.47

Granted	368,825	\$15.00-\$16.88
Exercised	(414,502)	\$10.63-\$17.47
Cancelled	(64,282)	\$10.63-\$17.47

OUTSTANDING DECEMBER 31, 1992	1,284,948	\$10.63-\$17.47

Granted	271,224	\$24.63-\$24.88
Exercised	(337,407)	\$10.63-\$17.47
Cancelled	(14,817)	\$10.88-\$17.47

OUTSTANDING DECEMBER 31, 1993	1,203,948	\$10.63-\$24.88

Granted	303,243	\$27.25-\$30.00
Exercised	(76,333)	\$10.63-\$24.88
Cancelled	(1,476)	\$13.75-\$16.88

OUTSTANDING DECEMBER 31, 1994	1,429,382	\$10.63-\$30.00

EXERCISABLE AT DECEMBER 31, 1994	853,257	\$10.63-\$24.88

NOTE 6 - EMPLOYEE BENEFIT PLANS

PENSION PLAN

The Company has a non-contributory defined benefit pension plan covering substantially all of its domestic employees. The benefits are based on an employee's years of service and average earnings for the 60 consecutive calendar months of highest compensation. The Company also has an unfunded restoration plan to ensure payments of amounts for which employees are entitled under the provisions of the pension plan, but which are subject to limitations imposed by federal tax laws. The Company's funding policy has been to make annual contributions equal to the actuarially computed liability to the extent such amounts are deductible for income tax purposes. Plan assets consist principally of equity securities and fixed income investments.

The periodic pension expense included the following components for the

years ended December 31:

	1994	1993	1992
Service cost-benefits earned in the period	\$ 1,814	\$ 1,388	\$ 1,150
Interest cost on projected benefit obligation	2,876	2,611	2,453
Actual return on plan assets	1,346	(4,411)	(2,695)
Net amortization and deferral	(4,200)	1,428	(71)
Net pension expense	\$ 1,836	\$ 1,016	\$ 837

The funded status of the plans at December 31 was as follows:

	1994		1993	
	FUNDED	UNFUNDED	FUNDED	UNFUNDED
Actuarial present value of:				
Vested benefit obligation	\$25,037	\$ 2,447	\$26,988	\$ 2,186
Accumulated benefit obligation	27,307	2,620	29,362	2,298
Projected benefit obligation	35,468	3,890	38,654	3,677
Plan assets at fair value	35,810		38,789	
Plan assets in excess of (less than) projected benefit obligation	342	(3,890)	135	(3,677)
Unrecognized net (gain) loss	(4,527)	(176)	(2,996)	960
Unrecognized net (asset) liability at transition	(2,367)	3,727	(2,582)	2,539
Unrecognized prior service cost	2,242		1,952	
Accrued pension cost	\$ (4,310)	\$ (339)	\$ (3,491)	\$ (178)

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The Company's assumptions as of December 31 in determining the pension cost and liability for the three years were as follows:

(AMOUNTS EXPRESSED IN PERCENTAGES)	1994	1993	1992
Discount rate	8.5	7.0	8.5
Rates of increase in compensation	6.0	5.0	6.0
Long-term rate of return on plan assets	8.5	8.5	8.5

EMPLOYEE SAVINGS PLAN

The Company has an employee savings plan (ESP) which is a defined contribution plan. Participation in the ESP is voluntary and all regular

employees of the Company are eligible to participate after one year of employment. Subject to certain limitations, the Company may contribute up to 100 percent of the participant's contribution. The Company charged to expense plan contributions of \$775,000, \$755,000 and \$673,000 for 1994, 1993 and 1992, respectively.

OTHER EMPLOYEE PLANS

The Company sponsors other plans for the benefit of its employees and retirees. These plans include health care and life insurance benefits. Effective January 1, 1993, the Company adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions." The Company recorded a cumulative catch-up adjustment for the accumulated postretirement transition obligation of approximately \$1,003,000. The net 1994 and 1993 annual postretirement benefit costs were approximately \$253,000 and \$173,000, respectively.

The accumulated postretirement benefit obligation was computed using an assumed discount rate of 8.5 percent in 1994 and 7 percent in 1993. The health care cost trend rate was assumed to be 12 percent for 1994, declining by one percent for six successive years to 6 percent in 2000, decreasing to 5.5 percent for 2002 and remaining at that rate thereafter.

If the health care cost trend rate was increased one percent for all future years, the accumulated postretirement benefit obligation as of December 31, 1994, would have increased approximately \$450,000. The effect of this change on the aggregate of service and interest cost for 1994 would have been an increase of approximately \$65,000.

Net postretirement benefit cost for the years ended December 31 includes the following components:

	1994	1993
Service cost - benefits earned in the period	\$136	\$ 91
Interest costs - accumulated benefit obligation	93	82
Net loss amortization	24	
Cumulative catch up		1,003
Net postretirement benefit cost	\$253	\$1,176

The plan's postretirement benefit obligation at December 31 was as follows:

	1994	1993
Accumulated postretirement benefit obligation:		
Retirees	\$ (152)	\$ (223)
Fully eligible active employees	(170)	(140)
Active employees, not fully eligible	(854)	(845)
Total participants	(1,176)	(1,208)
Plan assets		
Funded status	(1,176)	(1,208)
Unrecognized transition obligation		
Unrecognized net loss	35	169
Accrued postretirement benefit obligation	\$ (1,141)	\$ (1,039)

NOTE 7 - MARKETING SUBSIDIARY

In June 1994, Noble Gas Marketing, Inc., a wholly owned subsidiary of the Company, began marketing the Company's natural gas as well as third-party gas. NGM's business plan calls for it to sell gas directly to end-users, gas marketers, industrial users, interstate and intrastate gas pipelines, and local distribution companies. The Company records all of NGM's sales as gathering, marketing and processing revenues. All intercompany sales have been eliminated.

In 1994, NGM recorded \$43.9 million in gathering, marketing and processing revenues and \$42.8 million in gathering, marketing and processing expenses, generating a gross margin of \$1.1 million for the year. The gross margin was offset by administrative expenses of \$1.2 million, resulting in a loss for NGM's initial year of operations.

NOTE 8 - ADDITIONAL BALANCE SHEET AND STATEMENT OF OPERATIONS INFORMATION

Other current assets at December 31 include the following:

	1994	1993
Income tax receivable	\$17,545	\$12,759

Other current liabilities at December 31 include the following:

	1994	1993
Gas imbalance liabilities	\$2,101	\$1,520

Oil and gas exploration expense included the following for the years ended December 31:

	1994	1993	1992
Dry hole expense	\$35,275	\$13,968	\$11,657
Undeveloped lease amortization	7,813	12,063	10,352
Abandoned assets	2,945	6,068	1,863
Seismic	8,254	5,199	4,969

Listed below are the purchasers who accounted for more than ten percent of total oil and gas sales and royalties in the past three years.

	1994	1993	1992
Natural Gas Clearinghouse	16%	16%	13%

NOTE 9 - ACQUISITIONS

The Company completed two major acquisitions of oil and gas properties during 1993. In the first acquisition, on July 15, 1993, the Company purchased for \$100 million all of Freeport-McMoRan's interest in East Cameron blocks 320, 331, and 332 in the Gulf of Mexico. The Company acts as operator of these properties with an average working interest of 70 percent. Facilities with a production capacity of 100 MMCF of gas and 10,000 BBLs of oil per day were completed and set in 1994. Production commenced in October 1994. This acquisition was purchased with cash on hand, without additional borrowings.

In the second acquisition, on October 1, 1993, the Company purchased for \$305 million substantially all the remaining oil and gas properties of Freeport-McMoRan located in the Gulf of Mexico, Montana, Colorado, and California. The Company completed two issuances of long-term debt to finance the second acquisition.

The acquisitions of the Freeport-McMoRan properties were accounted for as a purchase and the results of operations are included in the statement of operations from the date of the acquisitions. The cost of the acquisitions has been allocated on the basis of the estimated market value of the assets acquired.

The following unaudited pro forma data includes various adjustments which are considered necessary to properly state the amounts as though the acquisitions had occurred at the beginning of each period shown.

	1993	1992
Revenues	\$377,532	\$369,176
Net income	\$39,138	\$42,496
Net income per share	\$.81	\$.96

The pro forma data presented above is based on several assumptions and should not be viewed as indicative of the operations of the Company in future periods.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors
of Noble Affiliates, Inc.:

We have audited the accompanying consolidated balance sheet of Noble Affiliates, Inc. (a Delaware corporation) and subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Noble Affiliates, Inc. and subsidiaries as of December 31, 1994 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

Oklahoma City, Oklahoma
January 27, 1995

ARTHUR ANDERSEN LLP

NOTE 10 - SUPPLEMENTAL OIL AND GAS INFORMATION
(Unaudited)

The following reserve schedules were developed by the Company's reserve engineers and set forth the changes in estimated quantities of proved oil and gas reserves of the Company during each of the three years presented, and the proved developed oil and gas reserves as of the beginning of each year.

PROVED DEVELOPED AND UNDEVELOPED RESERVES:	NATURAL GAS & CASINGHEAD GAS (MMCF)				CRUDE OIL & CONDENSATE (BARRELS IN THOUSANDS)			
	UNITED STATES	CANADA	OTHER FOREIGN	TOTAL	UNITED STATES	CANADA	OTHER FOREIGN	TOTAL
PROVED RESERVES AS OF DECEMBER 31, 1991	373,276	20,926	2,408	396,610	38,054	1,959	3,867	43,880
Revisions of previous estimates	(1,450)	17		(1,433)	772	91	731	1,594
Extensions, discoveries and other additions	42,102	7,711		49,813	5,406	462	2,172	8,040
Production	(69,367)	(3,926)		(73,293)	(5,115)	(339)	(1,197)	(6,651)
Sale of minerals in place	(1,352)			(1,352)	(139)		(493)	(632)
Purchase of minerals in place	1,157	721		1,878	980	169		1,149
PROVED RESERVES AS OF DECEMBER 31, 1992	344,366	25,449	2,408	372,223	39,958	2,342	5,080	47,380
Revisions of previous estimates	(5,811)	809		(5,002)	(2,374)	168	(277)	(2,483)
Extensions, discoveries and other additions	62,479	2,131		64,610	7,285	1,410		8,695
Production	(71,310)	(3,829)		(75,139)	(6,064)	(347)	(950)	(7,361)
Sale of minerals in place	(6,903)	(20)		(6,923)	(389)	(23)		(412)
Purchase of minerals in place	341,578	183		341,761	27,107	29		27,136
PROVED RESERVES AS OF DECEMBER 31, 1993	664,399	24,723	2,408	691,530	65,523	3,579	3,853	72,955
Revisions of previous estimates	15,409	2,418		17,827	(1,052)	161	1,550	659
Extensions, discoveries and other additions	148,008	6,773		154,781	8,160	712	1,139	10,011
Production	(84,504)	(3,225)		(87,729)	(7,434)	(446)	(791)	(8,671)
Sale of minerals in place	(854)	(167)		(1,021)	(276)	(19)		(295)
Purchase of minerals in place	1,787	1,775		3,562	615	253		868
PROVED RESERVES AS OF DECEMBER 31, 1994	744,245	32,297	2,408	778,950	65,536	4,240	5,751	75,527
PROVED DEVELOPED RESERVES:								
January 1, 1992	372,100	19,981	2,408	394,489	34,000	1,501	3,867	39,368
January 1, 1993	344,366	24,504	2,408	371,278	36,938	1,884	5,080	43,902
January 1, 1994	570,462	24,723	2,408	597,593	64,284	3,032	3,853	71,169
January 1, 1995	658,228	32,297	2,408	692,933	63,013	3,693	4,612	71,318

PROVED RESERVES

Proved reserves are estimated quantities of crude oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions.

PROVED DEVELOPED RESERVES

Proved developed reserves are proved reserves which are expected to be recovered through existing wells with existing equipment and operating methods.

COSTS INCURRED IN OIL AND GAS ACTIVITIES

Costs incurred in connection with the Company's oil and gas acquisition, exploration and development activities during the year are shown below. Amounts are presented in accordance with SFAS No. 19, and may not agree with amounts determined using traditional industry definitions.

	1994				1993			
	UNITED STATES	CANADA	OTHER FOREIGN	TOTAL	UNITED STATES	CANADA	OTHER FOREIGN	TOTAL
Property acquisition costs:								
Proved	\$ 3,742	\$2,375	\$	\$ 6,117	\$418,087	\$ 364	\$	\$418,451
Unproved	8,695	1,773		10,468	2,537	1,902		4,439
Total	\$12,437	\$4,148	\$	\$16,585	\$420,624	\$2,266	\$	\$422,890
Exploration costs	\$48,151	\$7,293	\$7,363	\$62,807	\$23,392	\$4,708	\$5,449	\$33,549
Development costs	\$105,993	\$2,871	\$1,474	\$110,338	\$53,650	\$4,192	\$730	\$58,572

	1992			
	UNITED STATES	CANADA	OTHER FOREIGN	TOTAL
Property acquisition costs:				
Proved	\$4,406	\$1,498	\$ 300	\$ 6,204
Unproved	1,474	1,037		2,511
Total	\$5,880	\$2,535	\$ 300	\$ 8,715
Exploration costs	\$16,122	\$3,351	\$5,639	\$25,112
Development costs	\$34,473	\$2,549	\$4,658	\$41,680

AGGREGATE CAPITALIZED COSTS

Aggregate capitalized costs relating to the Company's oil and gas producing activities, and related accumulated DD&A as of the end of the year are shown below.

	1994				1993			
	UNITED STATES	CANADA	OTHER FOREIGN	TOTAL	UNITED STATES	CANADA	OTHER FOREIGN	TOTAL
Unproved oil and gas properties	\$ 34,254	\$ 7,842	\$ 3,274	\$ 45,370	\$ 32,941	\$ 6,564	\$ 3,340	\$ 42,845
Proved oil and gas properties	1,448,412	42,315	24,295	1,515,022	1,344,490	35,505	38,097	1,418,092

development costs	870	44	18	932	869	47	17	933	608	36	36	680
Future income tax expenses	423	21	23	467	481	15	10	506	220	13	14	247
Future net cash flows	1,146	55	63	1,264	1,285	40	28	1,353	643	37	43	723
10% annual discount for estimated timing of cash flows	479	23	26	528	656	13	9	678	209	12	14	235
Standardized measure of discounted future net cash flows	\$ 667	\$ 32	\$ 37	\$ 736	\$ 629	\$ 27	\$ 19	\$ 675	\$ 434	\$ 25	\$ 29	\$ 488

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Future cash inflows are computed by applying year-end prices of oil and gas relating to the Company's proved reserves to the year-end quantities of those reserves, with consideration given to the effect of existing trading and hedging contracts if any. The year-end weighted average oil price utilized in the computation of future cash inflows was approximately \$15.55 per barrel.

Oil prices at the end of February 1995 increased slightly since year end. The Company estimates that a \$1.00 per barrel change in the average oil price from the year-end price would change discounted future net cash flows before income taxes by approximately \$44 million.

The year-end weighted average gas price utilized in the computation of future cash inflows was approximately \$1.75 per MCF. Natural gas spot prices at the end of February 1995 decreased from year end. The Company estimates that a \$.10 per MCF change in the average gas price from the year-end price would change discounted future net cash flows before income taxes by approximately \$47 million.

Future production and development costs, which include dismantlement and restoration expense, are computed by estimating the expenditures to be incurred in developing and producing the Company's proved oil and gas reserves at the end of the year, based on year-end costs, and assuming continuation of existing economic conditions.

Future income tax expenses are computed by applying the appropriate year-end statutory tax rates to the future pretax net cash flows relating to the Company's proved oil and gas reserves, less the tax bases of the properties involved. The future income tax expenses give effect to tax credits and allowances, but do not reflect the impact of general and administrative cost and exploration expenses of ongoing operations relating to the Company's proved oil and gas reserves.

At December 31, 1994, the Company had estimated gas imbalance receivables of \$11.7 million and estimated liabilities of \$10.5 million; at year-end 1993, \$12.9 million in receivables and \$7.6 million in liabilities; and at year-end 1992, \$17.0 million in receivables and \$12.8 million in liabilities. Neither the gas imbalance receivables nor liabilities have been included in the standardized measure of discounted future net cash flows for the three years ended December 31, 1994.

Principal changes in the aggregate standardized measure of discounted future net cash flows attributable to the Company's proved oil and gas reserves at year end are shown below.

(IN MILLIONS OF DOLLARS)	1994	1993	1992
Standardized measure of discounted future net cash flows at the beginning of the year	\$675	\$488	\$445
Extensions, discoveries and improved recovery, less related costs	160	89	113
Revisions of previous quantity estimates	18	(19)	15
Changes in estimated future development costs	(31)	(23)	(5)

Purchases/sales of minerals in place	3	397	4
Net changes in prices and production costs	(90)	(40)	52
Accretion of discount	95	66	60
Sales of oil and gas produced, net of production costs	(228)	(200)	(189)
Development costs incurred during the period	44	8	10
Net change in income taxes	(17)	(102)	(12)
Change in timing of estimated future production, and other	107	11	(5)

Standardized measure of discounted future net cash flows at the end of the year	\$ 736	\$ 675	\$ 488

NOTE 11 - INTERIM FINANCIAL INFORMATION
(Unaudited)

Interim financial information for the two years ended December 31, 1994 is as follows:

	QUARTER ENDED			
	MAR. 31,	JUNE 30,	SEPT. 30,	DEC. 31,

1994				
Revenues	\$83,541	\$92,032	\$97,441	\$ 85,375
Gross profit (loss) from operations	\$16,351	\$10,494	\$ 3,877	\$(13,451)
Net income (loss)	\$ 8,417	\$ 4,377	\$ 2,051	\$(11,679)
Net income (loss) per share	\$.17	\$.09	\$.04	\$ (.23)
1993				
Revenues	\$69,854	\$66,327	\$64,346	\$ 86,056
Gross profit (loss) from operations	\$16,696	\$ 5,041	\$11,318	\$ (372)
Net income (loss)	\$ 4,488	\$ 4,002	\$ 4,265	\$ (130)
Net income (loss) per share	\$.10	\$.08	\$.09	\$ (.01)

During the fourth quarter of 1994, DD&A expense increased by approximately \$3,100,000 relating to the cumulative effect of oil and gas reserve revisions on the DD&A provision for the preceding three quarters.

During the fourth quarter of 1993, the cumulative effect of oil and gas reserve revisions on the DD&A provision for the preceding three quarters was insignificant.

GLOSSARY

BBLs	BARRELS
BCF	BILLION CUBIC FEET
BOE	BARREL OF OIL EQUIVALENT
LPG	LIQUID PETROLEUM GAS
MCF	THOUSAND CUBIC FEET

MMBBLs MILLION BARRELS
MMBTU MILLION BRITISH THERMAL UNITS
MMCF MILLION CUBIC FEET

CORPORATE INFORMATION

TRANSFER AGENT AND REGISTRAR

The Liberty National Bank
and Trust Company of
Oklahoma City
P. O. Box 25848
Oklahoma City, Oklahoma 73125

INDEPENDENT ACCOUNTANTS

Arthur Andersen LLP
Oklahoma City, Oklahoma

COMMON STOCK LISTED

New York Stock Exchange
Symbol - NBL

SHAREHOLDERS' PROFILE

December 31, 1994

	SHARES OUTSTANDING	SHAREHOLDERS OF RECORD
Individuals	735,181	1,210
Joint accounts	116,318	294
Fiduciaries	242,096	351
Institutions	6,999,833	50
Brokers	1,300	1
Nominees	41,904,188	7
Foreign	13,639	16
Total	50,012,555	1,929

DIVIDEND AND STOCK PRICES BY QUARTERS

(DOLLARS)	QUARTER ENDED				YEAR END TOTAL
	3/31	6/30	9/30	12/31	
Dividends					
1994	.04	.04	.04	.04	.16
1993	.04	.04	.04	.04	.16
Low-High					
1994	23 3/8-28 3/4	22 1/2-32 1/4	25 1/4-30 7/8	22 1/2-30 3/8	
1993	15 3/4-22 3/4	20 1/2-25 1/4	22 1/8-31	23-30 1/8	

ANNUAL MEETING

The Annual Meeting of Shareholders of Noble Affiliates, Inc. will be held on Tuesday, April 25, 1995, at 10:00 a.m. at the Charles B. Goddard Center located at "D" Street and First Avenue S.W. in Ardmore, Oklahoma. All shareholders are cordially invited to attend.

FORM 10-K

A copy of Form 10-K, as filed with the Securities and Exchange Commission, is available upon request by writing to Vice President - Finance and Treasurer, Noble Affiliates, Inc., P.O. Box 1967, Ardmore, Oklahoma 73402.

APPENDIX I

The following describes graphs which were listed in the margins of the Management's Discussion and Analysis on pages 15 through 19 of the Registrant's 1994 annual report.

Page 15 - Gas Reserves Added for three years

1992:	50.3 BCF's
1993:	401.4 BCF's
1994:	176.2 BCF's

Oil Reserves Added for three years

1992:	10.8 million barrels
1993:	33.3 million barrels
1994:	11.5 million barrels

Page 16 - Costs Incurred for Acquisitions, Exploration and Development

1992:	\$75.5 million
1993:	\$515.0 million
1994:	\$189.7 million

Average Finding Cost Per BOE for three years

1992:	\$3.96
1993:	\$5.14
1994:	\$4.64

Page 17 Gas Revenues for three years

1992:	\$134.2 million - \$1.81 Average price per mcf
1993:	\$159.2 million - \$2.10 Average price per mcf
1994:	\$174.5 million - \$1.97 Average price per mcf

Oil Revenues for three years

1992:	\$120.2 million - \$18.68 Average price per barrel
1993:	\$111.3 million - \$15.91 Average price per barrel
1994:	\$122.9 million - \$14.90 Average price per barrel

Page 18 Net Income for three years

*1992:	\$41.2 million
1993:	\$12.6 million
1994:	\$3.2 million

*Includes sale of investment NGC

Average Production and Lifting Cost Per BOE for three years

1992:	\$3.60
1993:	\$3.76
1994:	\$3.20

Page 19 DD&A Expense Per BOE of Production for three years

1992:	\$5.00 per barrel
1993:	\$5.37 per barrel
1994:	\$5.46 per barrel

SG&A Expense Per Boe of Production for three years

1992:	\$1.64 per barrel
1993:	\$1.59 per barrel
1994:	\$1.56 per barrel

SUBSIDIARIES OF NOBLE AFFILIATES, INC.

The following table sets forth the subsidiaries of Noble Affiliates, Inc. as of March 15, 1995.

Subsidiary -----	State of Jurisdiction or Organization -----
Samedan Oil Corporation 1/	Delaware
Noble Gas Marketing, Inc. 1/	Delaware
Noble Gas Pipeline, Inc. 2/	Delaware
Samedan Oil of Canada, Inc. 3/	Delaware
Samedan of North Africa, Inc. 3/	Delaware
Samedan Oil of Indonesia, Inc. 3/	Delaware
Samedan Pipe Line Corporation 3/	Delaware
Samedan Royalty Corporation 3/	Delaware
Samedan of Tunisia, Inc. 3/	Delaware
Samedan - NEEI Exploration Company 4/	Oklahoma

<FN>

1/ 100% owned by Noble Affiliates, Inc.

2/ 100% owned by Noble Gas Marketing, Inc.

3/ 100% owned by Samedan Oil Corporation.

4/ 50% general partnership interest owned by Samedan Oil Corporation.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report dated January 27, 1995, included on page 33 of the 1994 Annual Report to Shareholders and incorporated by reference in this Form 10-K, into the previously filed Registration Statements on Form S-8 (Nos. 2-64600, 2-81590, 33-32692, 2-66654 and 33-54084).

ARTHUR ANDERSEN LLP

Oklahoma City, Oklahoma
March 28, 1995

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