UNITED STATES

WASHINGTON, D.C. 20549

FORM 10-Q

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

/ / FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1996

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

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

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

Yes X No ___

Number of shares of common stock outstanding as of July 31, 1996: 50,416,116

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

NOBLE AFFILIATES, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEET
(Dollars in thousands)

	(Unaudited) June 30, 1996	December 31, 1995
ASSETS		
Current Assets:		
Cash and short-term cash investments........	$ 41,798	$ 12,429
Accounts receivable-trade..................	85,579	79,478
Materials and supplies inventories..........	2,646	2,855
Other current assets.......................	14,284	22,750

Total Current Assets	144,307	117,512
Property, Plant and Equipment	1,795,068	1,691,485
Less: accumulated depreciation, depletion and amortization	(909,606)	(847,540)
	885,462	843,945
Other Assets	26,035	27,719
Total Assets	$1,055,804	$ 989,176

LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable-trade	$ 86,785	$ 73,536
Other current liabilities	17,045	20,206
Income taxes-current	9,494	3,436
Total Current Liabilities	113,324	97,178
Deferred Income Taxes	76,852	69,445
Other Deferred Credits and Noncurrent Liabilities	38,286	33,650
Long-term Debt	377,010	376, 992
Shareholders' Equity:		
Common stock	173,004	172,407
Capital in excess of par value	147,368	145,059
Retained earnings	145,378	109,863
	465,750	427,329
Less common stock in treasury (at cost, 1,524,900 shares)	(15,418)	(15,418)
Total Shareholders' Equity	450,332	411,911
Total Liabilities and Shareholders' Equity	$1,055,804	$ 989,176

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS.

NOBLE AFFILIATES, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS
(Dollars in Thousands, Except Per Share Amounts)
(Unaudited)

	Six Months Ended June 30,	
	1996	1995
REVENUES:		
Oil and gas sales and royalties	$227,937	$154,291
Gathering, marketing and processing revenues	122,087	42,086
Other income	3,971	2,607
	353,995	198,984
COSTS AND EXPENSES:		
Oil and gas operations	49,358	40,733
Oil and gas exploration	20,455	11,395
Gathering, marketing and processing costs	110,895	41,589

Depreciation, depletion and amortization.....	82,926	70,820
Selling, general and administrative..........	18,885	18,995
Interest expense............................	10,676	10,794
Interest capitalized........................	(877)	(1,479)
	292,318	192,847
INCOME BEFORE INCOME TAXES......................	61,677	6,137
INCOME TAX PROVISION............................	22,139 (1)	2,340 (1)
NET INCOME......................................	$ 39,538	$ 3,797
PRIMARY EARNINGS PER SHARE......................	$ .78 (2)	$ .08 (2)
FULLY DILUTED EARNINGS PER SHARE................	$ .75 (3)	$ .08 (3)

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS.

NOBLE AFFILIATES, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS
(Dollars in Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended June 30,	
	1996	1995
REVENUES:		
Oil and gas sales and royalties	$ 119,522	$ 80,470
Gathering, marketing and processing revenues...	63,286	25,031
Other income	764	1,629
	183,572	107,130
COSTS AND EXPENSES:		
Oil and gas operations	26,828	18,422
Oil and gas exploration	12,897	6,989
Gathering, marketing and processing costs......	58,781	24,622
Depreciation, depletion and amortization.......	44,787	37,433
Selling, general and administrative	9,213	9,478
Interest expense	5,328	5,546
Interest capitalized	(312)	(786)
	157,522	101,704
INCOME BEFORE INCOME TAXES	26,050	5,426
INCOME TAX PROVISION	9,191 (1)	2,069 (1)
NET INCOME	$ 16,859	$ 3,357
PRIMARY EARNINGS PER SHARE	$ .33 (2)	$ .07 (2)
FULLY DILUTED EARNINGS PER SHARE	$ .32 (3)	$ .07 (3)

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS.

NOBLE AFFILIATES, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

	Six Months Ended June 30, 1996	Six Months Ended June 30, 1995
Cash Flows from Operating Activities:		
Net income	$ 39,538	$ 3,797
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	82,926	70,820
Amortization of undeveloped lease costs, net	3,882	4,329
Change in deferred credits	12,044	4,580
Change in other assets and other noncash items, net	(1,140)	(1,828)
Changes in working capital, not including cash:		
(Increase) decrease in accounts receivable	(6,101)	(2,596)
(Increase) decrease in other current assets and inventories	8,668	20,000
Increase (decrease) in accounts payable	13,249	18,642
Increase (decrease) in other current liabilities	2,896	2,290
Net Cash Provided by Operating Activities	155,962	120,034
Cash Flows From Investing Activities:		
Capital expenditures	(128,438)	(108,078)
Proceeds from sale of property, plant and equipment	2,962	1,851
Net Cash Used in Investing Activities	(125,476)	(106,227)
Cash Flows From Financing Activities:		
Exercise of stock options	2,907	434
Cash dividends	(4,024)	(4,002)
Net Cash Used in Financing Activities	(1,117)	(3,568)
Increase (Decrease) in Cash and Short-term Cash Investments	29,369	10,239
Cash and Short-term Cash Investments at Beginning of Period	12,429	22,192
Cash and Short-term Cash Investments at End of Period	$ 41,798	$ 32,431
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for:		
Interest (net of amount capitalized)	$ 9,258	$ 8,776
Income taxes	$ 8,000	

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

In the opinion of the Company, the accompanying unaudited consolidated condensed financial statements contain all adjustments, consisting only of necessary and normal recurring adjustments, necessary to present fairly the Company's financial position as of June 30, 1996 and December 31, 1995, and the results of operations for the three month and six month periods ended June 30, 1996 and 1995 and the cash flows for the six month periods ended June 30, 1996 and 1995. These consolidated condensed financial statements should be read in conjunction with the financial statements and the notes thereto incorporated in the Company's annual report on Form 10-K for the year ended December 31, 1995.

(1) INCOME TAX PROVISION

For the six months ended June 30:

	(In thousands)	
	1996	1995
Current	$14,732	$(1,933)
Deferred	7,407	4,273
	$22,139	$ 2,340

For the three months ended June 30:

	(In thousands)	
	1996	1995
Current	$ 5,521	$(1,995)
Deferred	3,670	4,064
	$ 9,191	$ 2,069

(2) NET INCOME PER SHARE

The primary earnings per share of common stock was computed using the weighted average number of shares of common stock outstanding during the period as follows:

	(In thousands)	
	1996	1995
For the six months ended June 30	50,318	50,025
For the three months ended June 30	50,363	50,032

(3) FULLY DILUTED EARNINGS PER SHARE

The fully diluted earnings per share of common stock was computed using the "if converted method", assuming the Company's convertible debt was converted into additional outstanding shares of common stock at the beginning of the period. The weighted average number of shares of common stock outstanding was 56,988,000 for the six months ended June 30, 1996 and 57,033,000 for the three months ended June 30, 1996. The increase in income related to the assumed reduction in after tax interest expense was $3,128,000 for the six months ended June 30, 1996 and $1,564,000 for the three months ended June 30, 1996. The Company's convertible debt was antidilutive in 1995 thus, there was no effect on fully diluted earnings per share.

(4) MINERALS MANAGEMENT SERVICE CLAIMS

Over the past several years, the Company's wholly owned subsidiary, Samedan Oil Corporation ("Samedan"), has settled various claims which it had against parties who had contracted to purchase gas at fixed prices which were greater than market, or who had take-or-pay contracts with Samedan in which such obligations to take-or-pay for quantities of gas were not fulfilled. It is the Company's policy, which is consistent with general industry practice, that such payments do not represent payment for gas produced and therefore, are not subject to royalty payments. The federal government, with respect to leases on both onshore and offshore federal lands, certain other governmental bodies, and some private landowners have begun to assert claims in recent years against oil and gas companies for royalties on some or all of such settlement amounts.

The Company recently participated in a joint effort with the Independent Petroleum Association of America wherein Samedan was a party to a test case involving such a claim made with respect to a lease on Indian lands. In the U.S. District Court for the District of Columbia, Samedan and other plaintiffs challenged the determination by the U.S. Minerals Management Service (MMS) that royalties were payable to the government on certain proceeds received by Samedan (and the other plaintiffs) with respect to a contract settlement. The district court recently ruled in favor of the MMS, and a judgment in the amount of $20,000 was awarded against Samedan. Samedan has appealed this judgment and intends to vigorously pursue its appeal. The Company intends to continue to follow its current policies in regard to these matters unless and until the issues have been settled by controlling precedent.

Although the amount in controversy applicable to Samedan in the above described lawsuit is not material, the decision in such case, if not reversed or otherwise limited on appeal, could have a negative impact with respect to other take-or-pay or contract settlements entered into by Samedan. There can be no assurance that Samedan will prevail on appeal in the above described lawsuit or that Samedan will prevail in the future on any similar claims asserted against it based on other take-or-pay or contract settlements. The Company is unable at this time to estimate the possible amount of the loss, if any, associated with this contingency.

(5) SUBSEQUENT EVENT

On July 31, 1996, the Company acquired all the common stock of Energy Development Corporation ("EDC"), for approximately $768,000,000 in cash.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This report on Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact included in this Form 10-Q, including, without limitation, statements contained in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding the Company's financial position, business strategy, plans and objectives of management of the Company for future operations and industry conditions, are forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct.

ACQUISITION OF ENERGY DEVELOPMENT CORPORATION

On July 31, 1996, Samedan acquired all the outstanding common stock of Energy Development Corporation, a New Jersey corporation, pursuant to the terms of a Stock Purchase Agreement (the "Stock Purchase Agreement") dated as of July 1, 1996 between Samedan and Enterprise Diversified Holdings Incorporated ("EDHI"), a New Jersey corporation and the sole stockholder of EDC.

EDC is a large independent gas and oil exploration and production company headquartered in the United States. EDC has grown substantially since 1988, primarily through strategic acquisitions and the exploitation of its acquired properties.

The purchase price paid at closing as determined under the Stock Purchase Agreement was approximately $768,000,000 in cash. As previously disclosed by the Company in a press release, the Company's personnel have evaluated and estimated the proved reserves of EDC, as of January 1, 1996, at approximately 37.7 million barrels of oil and 454.5 billion cubic feet of gas. Current daily production levels of EDC's properties are approximately 11,000 barrels of oil and 211 million cubic feet of gas. EDC's major properties are located in the Gulf of Mexico, onshore gulf coast of Louisiana and Texas, and internationally in Argentina and the United Kingdom sector of the North Sea. In determining the amount of consideration to be paid for the stock of EDC, the Company conducted a due diligence review of EDC and its subsidiaries and their assets and liabilities, including, without limitation, their holdings of proved reserves of oil and gas. The purchase price was the result of arm's-length negotiations with EDHI.

In connection with the acquisition, the Company entered into a new $800,000,000 bank credit facility pursuant to a Credit Agreement (the "Credit Agreement") dated as of July 31, 1996 among the Company, as borrower, certain commercial lending institutions which are or may become a party thereto, as lenders, and Union Bank of Switzerland, Houston Agency, as agent for the lenders. The Credit Agreement provides for a $400,000,000 term loan, which has certain scheduled prepayments and a final maturity of July 31, 2001, and a $400,000,000 revolving credit facility with a final maturity of July 31, 2001. The borrowings of $800,000,000 under the Credit Agreement were used to fund the purchase price for EDC and, together with funds on hand, to repay $48,000,000 of outstanding indebtedness under the Company's then existing credit agreement (the "old credit agreement") with certain banks. The Company's old credit agreement was cancelled in connection with the repayment.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities increased to $156.0 million in the six months ended June 30, 1996 from $120.0 million in the same period of 1995. Cash and short-term cash investments increased from $12.4 million at December 31, 1995 to $41.8 million at June 30, 1996.

The Company has expended approximately $128.4 million of its $240 million 1996 capital budget through June 30, 1996. The Company expects to fund internally its remaining 1996 capital budget. The Company's $240 million capital budget includes approximately $58 million for potential acquisitions of producing properties. On July 31, 1996 the Company acquired all the outstanding common stock of EDC as previously discussed.

As of June 30, 1996 the Company had debt of $378,000,000 consisting of $100,000,000 7 1/4% Notes Due 2023, $48,000,000 outstanding on its bank credit facility and $230,000,000 4 1/4% Convertible Subordinated Notes Due 2003. Subsequent to acquiring EDC the Company will have debt of $1,130,000,000 after repaying the existing $48,000,000 outstanding on its bank credit facility and entering into the new $800,000,000 Credit Agreement.

The Company's current ratio (current assets divided by current liabilities) was 1.27 for June 30, 1996 compared to 1.21 at December 31, 1995.

The Company follows an entitlements method of accounting for its gas imbalances. The Company's estimated gas imbalance receivables were $9.9 million at June 30, 1996 and $12.3 million at December 31, 1995. Estimated gas imbalance liabilities were $14.7 million at June 30, 1996 and $11.4 million at December 31, 1995. 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 over the life 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 settlement of gas imbalances will not have a material impact on its liquidity.

RESULTS OF OPERATIONS

For the second quarter of 1996, the Company recorded net income of $16.9 million, or primary earnings per share of 33 cents, compared to net income of $3.4 million, or primary earnings per share of 7 cents in the second quarter of 1995. During the first six months of 1996, the Company recorded net income of $39.5 million, or primary

earnings per share of 78 cents, compared to net income of $3.8 million, or primary earnings per share of 8 cents in the first six months of 1995. The increase resulted primarily from increased oil and gas production, as well as increased prices. Approximately $1.6 million and $3.1 million, respectively, after tax interest expense was added to income to calculate fully diluted earnings per share of 32 cents and 75 cents, respectively, for the three months and six months ended June 30, 1996.

Sales of the Company's natural gas marketing subsidiary, Noble Gas Marketing, Inc. (NGM), began in June 1994 and sales of the Company's oil trading subsidiary, Noble Trading, Inc. (NTI), began in May 1995. Sales between all Company subsidiaries are eliminated and third party sales and expenses are recorded as gathering, marketing and processing revenues and costs. For the second quarter of 1996, third party sales and expenses totaled $63.3 million and $58.8 million, respectively, for a gross margin of $4.5 million. Third party sales and expenses of $122.1 million and $110.9 million, respectively, resulted in a gross margin of $11.2 million for the first half of 1996. For the second quarter of 1995, third party sales and expenses totaled $25 million and $24.6 million, respectively, for a gross margin of $.4 million. Third party sales, expenses, and gross margin for the first half of 1995 were $42.1 million, $41.6 million and $.5 million, respectively. The increased margins in the 1996 second quarter and first half resulted from the Company's capacity and ability to make delivered sales and meet the greater demand for gas.

Gas sales, excluding third party sales by NGM, increased 73 percent and 67 percent, respectively, for the three months and six months ended June 30, 1996. The increase in sales is primarily due to an 18 percent and 23 percent increase, respectively, in the average gas price and a 47 percent and 34 percent increase respectively, in average daily production for the three months and six months ended June 30, 1996 compared to the same periods in 1995.

Oil sales increased 23 percent and 27 percent, respectively, for the three months and six months ended June 30, 1996 compared with the same periods in 1995. The increase in sales is primarily due to a 3 percent and 5 percent increase, respectively, in the average oil price and a 19 percent and 20 percent increase, respectively, in average daily production for the three months and six months ended June 30, 1996 compared to the same periods in 1995.

NGM employs various hedging arrangements to lock in profits or limit exposure to oil and gas price risk. Most of the purchases made by NGM are on an index basis; however, purchasers in the markets in which NGM sells may often require fixed or NYMEX related pricing. NGM may use a hedge to convert the fixed or NYMEX sale to an index basis thereby determining the margin and minimizing the risk of price volatility. During the second quarter of 1996, NGM had hedging transactions with broker-dealers that represented approximately 303,000 MMBTU of gas per day at prices ranging from $1.68 to $2.86 per MMBTU. Hedges for July through December 1996, which range from 10,000 to 149,000 MMBTU of gas per day at prices ranging from $.37 per MMBTU above to $.10 per MMBTU below index, were not closed by June 30, 1996. These hedges are in place to secure margins on future physical transactions. During the second quarter of 1995, NGM had hedging transactions with broker-dealers that represented approximately 105,000 MMBTU of gas per day at prices ranging from $1.47 to $1.89 per MMBTU. NGM records hedging gains or losses relating to fixed term sales as gathering, marketing and processing revenues in the period in which the related contract is completed.

Samedan, from time to time, enters into hedging arrangements primarily to protect against oil and gas price volatility and records hedging gains and losses relating to its own oil and gas production in oil and gas sales and royalties. During the second quarter of 1996, Samedan had fixed price hedges for 100,000 MMBTU of gas per day at prices ranging from $1.78 to $1.81 per MMBTU. Samedan also had various collar transactions for the second quarter of 1996 for 130,000 MMBTU of gas per day which had a floor price of $1.60 and a ceiling price of $2.03 per MMBTU. Fixed price hedges for July through December 1996 for 100,000 MMBTU of gas per day, at prices ranging from $1.78 to $1.80 per MMBTU, were not closed at June 30, 1996. Samedan has also entered into fixed price hedges for January through December 1997 for 50,000 MMBTU of gas per day at prices ranging from $1.88 to $2.28 per MMBTU. Costless collars for July through December 1996, which range from 105,000 to 130,000 MMBTU of gas per day with a floor price of $1.60 and a ceiling price of $2.03 per MMBTU, were not closed at June 30, 1996. Samedan has entered into swap agreements for November 1996 through March 1997 for 26,000 MMBTU of gas per day and will receive the NYMEX last day settlement price for each winter month less various basis differences of $.12 to $.23. In exchange, Samedan will pay the Inside FERC price for each month. Samedan also has gas put options in place for January through December 1997 for 85,000 MMBTU of gas per day. The floor price, net of a premium of $.18 to $.28 per MMBTU, ranges from $1.87 to $2.02 per MMBTU. Samedan also had various crude oil collar transactions for the second quarter of 1996 for 15,000 barrels per day which had a floor price of $16.50 per barrel and ceiling prices ranging from $18.00 to $18.60 per barrel. Collars for July through December 1996 for 15,000 barrels per day with a floor price of $16.50 and ceiling prices ranging from $18.00 to $18.60 per barrel, were not closed at June 30, 1996.

Although these hedging arrangements expose the Company to credit risks, the Company monitors the creditworthiness of its counter parties and believes that losses from nonperformance are unlikely to occur.

Certain selected oil and gas operating statistics follow:

	For the three months ended June 30,		For the six months ended June 30,	
	1996	1995	1996	1995
Oil revenues (in thousands)	$ 48,222	$ 39,248	$ 92,535	$ 72,833
Average daily oil production - BBLS	30,091	25,204	29,203	24,294
Average oil price per BBL	$ 18.09	$ 17.49	$ 17.86	$ 16.96
Gas revenue (in thousands)	$ 68,122	$ 39,450	$ 129,923	$ 77,827
Average daily gas production - MCFS	388,826	263,764	359,673	267,678
Average gas price per MCF	$ 1.98	$ 1.68	$ 2.02	$ 1.65

BBLS - BARRELS
MCF - THOUSAND CUBIC FEET

Oil and gas exploration expense increased $5.9 million and $9.1 million, respectively, for the three months and six months ended June 30, 1996 compared to the same periods in 1995. The increase is primarily attributable to a $8.1 million and $9.7 million increase, respectively, in dry hole expense, partially offset by a $2.3 million and $.4 million decrease, respectively, in undeveloped lease amortization during the three months and six months ended June 30, 1996.

Oil and gas operations expense increased $8.4 million and $8.6 million, respectively, for the three months and six months ended June 30, 1996, compared to the same periods in 1995. On a barrel of oil equivalent (BOE) basis (converting gas to oil on the basis of 6 MCF per barrel), operations expense increased $.18 per BOE and decreased $.23 per BOE, respectively, for the three months and six months ended June 30, 1996 as compared to the same periods of 1995. The increase in the second quarter of 1996 is due primarily to an increase in expenses relating to a number of offshore properties and platforms in the Gulf of Mexico.

Depreciation, depletion and amortization (DD&A) expense increased 20 percent and 17 percent, respectively, for the three months and six months ended June 30, 1996, compared to the same periods in 1995. The unit rate of DD&A per equivalent barrel, converting gas to oil on the basis of 6 MCF per barrel was $5.11 for the first six months of 1996 compared to $5.68 for the same period of 1995. The decrease in the unit rate per equivalent barrel is due partially to the adoption of Statement of Financial Standards (SFAS) No. 121 in the fourth quarter of 1995, pursuant to which approximately $59.5 million was written down to recognize impairment of certain long lived assets. The Company has recorded, through charges to DD&A, a reserve for future liabilities related to dismantlement and reclamation costs for offshore facilities. Approximately $2,612,000 and $4,910,000, respectively, was charged to DD&A for the three months and six months ended June 30, 1996 for these estimated future liabilities. This reserve is based on the best estimates of Company engineers of such costs to be incurred in future years.

Interest capitalized decreased $.5 million and $.6 million, respectively, for the three months and six months ended June 30, 1996 compared to the same periods in 1995. This decrease resulted from the completion and discontinuation of capitalized interest on the Company's High Island A-547 and Vermilion 371 properties in the Gulf of Mexico.

OTHER

In October 1995, the Financial Accounting Standards Board issued SFAS No. 123 "Accounting for Stock-Based Compensation." The Company plans to adopt SFAS No. 123 during 1996 by electing to disclose the additional information required in the footnotes to its financial statements as opposed to recording stock based compensation expense.

FUTURE TRENDS

Over the past several years, Samedan has settled various claims which it had against parties who had contracted to purchase gas at fixed prices which were greater than market, or who had take-or-pay contracts with Samedan in which such obligations to take-or-pay for quantities of gas were not fulfilled. It is the Company's policy, which is consistent with general industry practice, that such payments do not represent payment for gas produced and therefore, are not subject to royalty payments. The federal government, with respect to leases on both onshore and offshore federal lands, certain other governmental bodies, and some private landowners have begun to assert claims in recent years against oil and gas companies for royalties on some or all of such settlement amounts.

The Company recently participated in a joint effort with the Independent Petroleum Association of America wherein Samedan was a party to a test case involving such a claim made with respect to a lease on Indian lands. In the U.S. District Court for the District of Columbia, Samedan and other plaintiffs challenged the determination by the U.S. Minerals Management Service (MMS) that royalties were payable to the government on certain proceeds received by Samedan (and the other plaintiffs) with respect to a contract settlement. The district court recently ruled in favor of the MMS, and a judgment in the amount of $20,000 was awarded against Samedan. Samedan has appealed this judgment and intends to vigorously pursue its appeal. The Company intends to continue to follow its current policies in regard to these matters unless and until the issues have been settled by controlling precedent.

Although the amount in controversy applicable to Samedan in the above described lawsuit is not material, the decision in such case, if not reversed or otherwise limited on appeal, could have a negative impact with respect to other take-or-pay or contract settlements entered into by Samedan. There can be no assurance that Samedan will prevail on appeal in the above described lawsuit or that Samedan will prevail in the future on any similar claims asserted against it based on other take-or-pay or contract settlements. The Company is unable at this time to estimate the possible amount of the loss, if any, associated with this contingency.

Management believes 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, uses hedging and plans to do so in the future as a means of controlling its exposure to price changes. The Company cannot predict the extent to which its revenues will be affected by inflation, government regulation or changing prices.

PART II. OTHER INFORMATION
ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) The information required by this Item 6 (a) is set forth in the Index to Exhibits accompanying this quarterly report and is incorporated herein by reference.

(b) The Company did not file any reports on Form 8-K during the three months ended June 30, 1996.

SIGNATURE

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

NOBLE AFFILIATES, INC.
(Registrant)

Date August 13, 1996

WM. D. DICKSON

WM. D. DICKSON, Vice President-Finance and Treasurer
(Principal Financial Officer and Authorized Signatory)

INDEX TO EXHIBITS

Exhibit Number	Exhibit	Sequentially Numbered Page
10.1	Amendment No. 2 to the	

	Noble Affiliates Thrift and Profit Sharing Plan, as amended and restated effective as of January 1, 1994.
27.1	Financial Data Schedule

AMENDMENT NO. 2 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, 1994 (the "Plan"), is hereby amended in the following respects only:

FIRST: Section 2.1 of the Plan is hereby amended by restatement in its entirety to read as follows:

> 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 (i) his or her Employment Date if that Employment Date is on or after September 1, 1996, or (ii) if not, the earlier of September 1, 1996, or the anniversary of his or her Employment Date as of which he or she has completed a Year of Eligibility Service. However, if such person is not a Covered Employee on the first day he or she is otherwise eligible to participate but is subsequently 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.

SECOND: Section 3.2 of the Plan is hereby amended by restatement in its entirety to read as follows:

> Section 3.2 MATCHING CONTRIBUTIONS. In addition to the contributions made pursuant to Section 3.1, for each pay period commencing after August 31, 1996, 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 10-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 10-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.

IN WITNESS WHEREOF, this Amendment has been executed this 29th day of July, 1996, to be effective as of September 1, 1996.

NOBLE AFFILIATES, INC.

By: /S/ ROBERT KELLEY

Name: Robert Kelley
Title: President and Chief Executive Office

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