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NOBLE AFFILIATES INC
Form 10-K405
March 27, 2002

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

FORM 10-K

(Mark One)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

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
(STATE OF INCORPORATION)

73-0785597
(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

350 Glenborough Drive, Suite 100
Houston, Texas
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

77067
(ZIP CODE)

(Registrant's telephone number, including area code)
(281) 872-3100

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

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

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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. /X/

Aggregate market value of Common Stock held by nonaffiliates as of February 15, 2002: \$1,747,001,553.

Number of shares of Common Stock outstanding as of February 15, 2002: 57,007,724.

DOCUMENT INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement for the 2002 Annual Meeting of Stockholders to be held on April 23, 2002, which will be filed with the Securities and Exchange Commission within 120 days after December 31, 2001, are incorporated by reference into Part III.

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PART I

ITEM 1. BUSINESS.

CAUTIONARY STATEMENT FOR PURPOSES OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND OTHER FEDERAL SECURITIES LAWS

GENERAL. We are including the following discussion to inform our existing and potential security holders generally of some of the risks and uncertainties that can affect the Company and to take advantage of the "safe harbor" protection for forward-looking statements afforded under federal securities laws. From time to time, the Company's management or persons acting on our behalf make forward-looking statements to inform existing and potential security holders about the Company. These statements may include projections and estimates concerning the timing and success of specific projects and the Company's future (1) income, (2) oil and gas production, (3) oil and gas reserves and reserve replacement and (4) capital spending. Forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "anticipate," "plan," "goal" or other words that convey the uncertainty of future events or outcomes. Sometimes we will specifically describe a statement as being a forward-looking statement. In addition, except for the historical information contained in this Form 10-K, the matters discussed in this Form 10-K are forward-looking statements. These statements by their nature are subject to certain risks, uncertainties and assumptions and will be influenced by various factors. Should any of the assumptions underlying a forward-looking statement prove incorrect, actual results could vary materially.

We believe the factors discussed below are important factors that could cause actual results to differ materially from those expressed in a forward-looking statement made herein or elsewhere by us or on our behalf. The factors listed below are not necessarily all of the important factors. Unpredictable or unknown

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factors not discussed herein could also have material adverse effects on actual results of matters that are the subject of forward-looking statements. We do not intend to update our description of important factors each time a potential important factor arises. We advise our stockholders that they should (1) be aware that important factors not described below could affect the accuracy of our forward-looking statements and (2) use caution and common sense when analyzing our forward-looking statements in this document or elsewhere. All of such forward-looking statements are qualified in their entirety by this cautionary statement.

VOLATILITY AND LEVEL OF HYDROCARBON COMMODITY PRICES. Historically, natural gas and crude oil prices have been volatile. These prices rise and fall based on changes in market demand and changes in the political, regulatory and economic climate and other factors that affect commodities markets generally and are outside of our control. Some of our projections and estimates are based on assumptions as to the future prices of natural gas and crude oil. These price assumptions are used for planning purposes. We expect our assumptions will change over time and that actual prices in the future may differ from our estimates. Any substantial or extended decline in the actual prices of natural gas and/or crude oil could have a material adverse effect on (1) the Company's financial position and results of operations (including reduced cash flow and borrowing capacity), (2) the quantities of natural gas and crude oil reserves that we can economically produce, (3) the quantity of estimated proved reserves that may be attributed to our properties and (4) our ability to fund our capital program.

PRODUCTION RATES AND RESERVE REPLACEMENT. Projecting future rates of oil and gas production is inherently imprecise. Producing oil and gas reservoirs generally have declining production rates. Production rates depend on a number of factors, including geological, geophysical and engineering factors, weather, production curtailments or restrictions, prices for natural gas and crude oil, available transportation capacity, market demand and the political, economic and regulatory climate. Another factor affecting production rates is our ability to replace depleting reservoirs with new reserves through exploration success or acquisitions. Exploration success is difficult to predict, particularly over the short term, where results can vary widely from year to year. Moreover, our ability to replace reserves over an extended period depends not only on the total volumes found, but also on the cost of finding and developing such reserves. Depending on the general price environment for natural gas and crude oil, our finding

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and development costs may not justify the use of resources to explore for and develop such reserves. There can be no assurances as to the level or timing of success, if any, that we will be able to achieve in finding and developing or acquiring additional reserves. Acquisitions that result in successful exploration or exploitation projects require assessment of numerous factors, many of which are beyond our control. There can be no assurance that any acquisition of property interests by us will be successful and, if unsuccessful, that such failure will not have an adverse effect on our financial condition, results of operations and cash flows.

RESERVE ESTIMATES. Our forward-looking statements may be predicated on our estimates of our oil and gas reserves. All of the reserve data in this Form 10-K or otherwise made by or on behalf of the Company are estimates. Reservoir engineering is a subjective process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact way. There are numerous uncertainties inherent in estimating quantities of proved natural gas and oil reserves. Projecting future rates of production and timing of future development expenditures is also inexact. Many factors beyond our control affect these

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estimates. In addition, the accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Therefore, it is common that estimates made by different engineers will vary. The results of drilling, testing and production after the date of an estimate may also require a revision of that estimate, and these revisions may be material. As a result, reserve estimates are generally different from the quantities of oil and gas that are ultimately recovered.

LAWS AND REGULATIONS. Our forward-looking statements are generally based on the assumption that the legal and regulatory environment will remain stable. Changes in the legal and/or regulatory environment could have a material adverse effect on our future results of operations and financial condition. Our ability to economically produce and sell our oil and gas production is affected and could possibly be restrained by a number of legal and regulatory factors, including federal, state and local laws and regulations in the U.S. and laws and regulations of foreign nations, affecting (1) oil and gas production, including allowable rates of production by well or proration unit, (2) taxes applicable to the Company and/or our production, (3) the amount of oil and gas available for sale, (4) the availability of adequate pipeline and other transportation and processing facilities and (5) the marketing of competitive fuels. Our operations are also subject to extensive federal, state and local laws and regulations in the U.S. and laws and regulations of foreign nations relating to the generation, storage, handling, emission, transportation and discharge of materials into the environment. These environmental laws and regulations continue to change and may become more onerous or restrictive in the future. Our forward-looking statements are generally based upon the expectation that we will not be required in the near future to expend amounts to comply with environmental laws and regulations that are material in relation to our total capital expenditures program. However, inasmuch as such laws and regulations are frequently changed, we are unable to accurately predict the ultimate cost of such compliance.

DRILLING AND OPERATING RISKS. Our drilling operations are subject to various risks common in the industry, including cratering, explosions, fires and uncontrollable flows of oil, gas or well fluids. In addition, a substantial amount of our operations are currently offshore, domestically and internationally, and subject to the additional hazards of marine operations, such as loop currents, capsizing, collision and damage or loss from severe weather. Our drilling operations are also subject to the risk that no commercially productive natural gas or oil reserves will be encountered. The cost of drilling, completing and operating wells is often uncertain, and drilling operations may be curtailed, delayed or canceled as a result of a variety of factors, including drilling conditions, pressure or irregularities in formations, equipment failures or accidents and adverse weather conditions.

COMPETITION. The Company's forward-looking statements are generally based on a stable competitive environment. Competition in the oil and gas industry is intense both domestically and internationally. We actively compete for reserve acquisitions and exploration leases and licenses, as well as in the gathering and marketing of natural gas and crude oil. Our competitors include the major oil companies, independent oil and gas concerns, individual producers, natural gas and crude oil marketers and major pipeline companies, as well as participants in other industries supplying energy and fuel to industrial, commercial and individual consumers. To the extent our competitors have greater financial resources than currently available to us, we may be disadvantaged in effectively competing for certain reserves, leases and licenses. Recently announced consolidations in the industry may

enhance the financial resources of certain of our competitors. From time to time, the level of industry activity may result in a tight supply of labor or

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equipment required to operate and develop oil and gas properties. The availability of drilling rigs and other equipment, as well as the level of rates charged, may have an effect on our ability to compete and achieve success in our exploration and production activities.

In marketing our production, we compete with other producers and marketers on such factors as deliverability, price, contract terms and quality of product and service. Competition for the sale of energy commodities among competing suppliers is influenced by various factors, including price, availability, technological advancements, reliability and creditworthiness. In making projections with respect to natural gas and crude oil marketing, we assume no material decrease in the availability of natural gas and crude oil for purchase. We believe that the location of our properties, our expertise in exploration, drilling and production operations, the experience of our management and the efforts and expertise of our marketing units generally enable us to compete effectively. In making projections with respect to numerous aspects of our business, we generally assume that there will be no material change in competitive conditions that would adversely affect us.

GENERAL

Noble Affiliates, Inc. is a Delaware corporation organized in 1969, and 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, "Samedan" refers to Samedan Oil Corporation and its subsidiaries, "EDC" refers to Energy Development Corporation and its subsidiaries, "NGM" refers to Noble Gas Marketing, Inc. and its subsidiary and "NTI" refers to Noble Trading, Inc. Effective December 31, 2001, EDC (but not its subsidiaries) was merged into Samedan. In this report, quantities of oil or natural gas liquids are expressed in barrels ("BBLs"), thousands of barrels ("MBBLs") and millions of barrels ("MMBBLs"); quantities of natural gas are expressed in thousands of cubic feet ("MCF"), millions of cubic feet ("MMCF"), billions of cubic feet ("BCF"), trillions of cubic feet ("TCF") and million British Thermal Units ("MMBTU"). Equivalent units are expressed in thousand cubic feet of gas equivalents ("MCFe"), million cubic feet of gas equivalents ("MMCFe"), billion cubic feet of gas equivalents ("BCFe"), trillion cubic feet of gas equivalents ("TCFe"), converting oil to gas at one barrel of oil equaling six thousand cubic feet of gas, or barrel of oil equivalents ("BOE"), millions of barrels of oil equivalents ("MMBOE"), converting gas to oil at six thousand cubic feet of gas to one barrel of oil.

The Company's wholly-owned subsidiary, NGM, markets the majority of the Company's natural gas as well as third-party gas. The Company's wholly-owned subsidiary, NTI, markets a portion of the Company's oil as well as third-party oil. For more information regarding NGM's operations and NTI's operations, see "Item 1. Business--Oil and Gas--Marketing" of this Form 10-K.

The Company's unconsolidated subsidiary, Atlantic Methanol Capital Company ("AMCCO"), is a 50 percent owned joint venture that owns an indirect 90 percent interest in Atlantic Methanol Production Company ("AMPCO"), which completed construction of a methanol plant in Equatorial Guinea in the second quarter of 2001. Through 2001, AMCCO was accounted for using the equity method within the Registrant's wholly owned subsidiary, Samedan of North Africa, Inc. For more information, see "Item 1. Business--Unconsolidated Subsidiary" and "Item 8. Financial Statements and Supplementary Data--Note 9 - Unconsolidated Subsidiary" of this Form 10-K.

OIL AND GAS

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The Company's wholly-owned subsidiary, Samedan, directly or through various arrangements with other companies, explores for, develops and produces oil and gas hydrocarbons. Exploration activities include geophysical and geological evaluation and exploratory drilling on properties for which the Company has exploration rights. Samedan has been engaged in the exploration, production and marketing of oil and gas since 1932. Samedan has exploration, exploitation and production operations domestically and internationally. The

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domestic areas consist of: offshore in the Gulf of Mexico and California; the Gulf Coast Region (Louisiana, New Mexico and Texas); the Mid-Continent Region (Oklahoma and Southern Kansas); and the Rocky Mountain Region (Colorado, Montana, North Dakota, Wyoming and California). The international areas of operations include Argentina, China, Ecuador, Equatorial Guinea, the Mediterranean Sea, the North Sea and Vietnam. For more information regarding Samedan's oil and gas properties, see "Item 2. Properties--Oil and Gas" of this Form 10-K.

EXPLORATION ACTIVITIES

DOMESTIC OFFSHORE. Samedan has been actively engaged in exploration, exploitation and development of oil and gas properties in the Gulf of Mexico (offshore Texas, Louisiana, Mississippi and Alabama) and offshore California since 1968. Generally, offshore properties are characterized by prolific reservoirs with high production rates, which therefore tend to deplete more rapidly than the Company's onshore properties. The Company's current offshore production is derived from 237 wells operated by Samedan and 309 wells operated by others. During the past 33 years, Samedan has drilled or participated in the drilling of 1,084 gross wells offshore. At December 31, 2001, the Company held offshore federal leases covering 995,178 gross developed acres and 690,974 gross undeveloped acres on which the Company currently intends to conduct future exploration activities. For more information, see "Item 2. Properties--Oil and Gas" of this Form 10-K.

DOMESTIC ONSHORE. Samedan has been actively engaged in exploration, exploitation and development of oil and gas properties in three regions since the 1930's. The Gulf Coast Region covers onshore Louisiana, New Mexico and Texas. Properties in the Gulf Coast Region are characterized by gas reservoirs with strong production rates and oil fields with primary and secondary recovery operations that tend to deplete more gradually than the Company's offshore properties. The Mid-Continent Region covers Oklahoma and Southern Kansas. Properties in the Mid-Continent Region tend to be characterized by stable oil and gas production from primary and secondary recovery operations and the reservoirs tend to produce for longer periods compared to the Company's offshore properties. The Rocky Mountain Region covers Colorado, Montana, North Dakota, Wyoming and California. Reservoirs in the Rocky Mountain Region are primarily characterized by oil and gas production from primary and secondary recovery operations.

During the fourth quarter of 2001, the Company acquired all of Aspect Energy's interests in 110 wells located along the Texas and Louisiana Gulf Coast. Current production is approximately 1,900 BBLS of oil per day and 57 MMCF of gas per day. We acquired approximately 59 BCFe of reserves along with working capital and hedging positions. Also acquired was a 50 percent interest in Aspect's future drilling prospects in this region. As part of the transaction, the Company paid \$107 million in cash, issued \$14 million of common stock previously held in treasury and assumed a \$40 million note payable.

Samedan's current onshore production is derived from 1,743 wells operated by Samedan and 1,295 wells operated by others. At December 31, 2001, the Company held 643,260 gross developed acres and 347,628 gross undeveloped acres onshore

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on which the Company may conduct future exploration activities. For more information, see "Item 2. Properties--Oil and Gas" of this Form 10-K.

ARGENTINA. Samedan, through its subsidiary, Energy Development Corporation (Argentina), Inc., has been actively engaged in exploration, exploitation and development of oil and gas properties in Argentina since 1996. The Company's producing properties are located in southern Argentina in the El Tordillo field, which is characterized by secondary recovery oil production from a 10,000 acre reservoir. At December 31, 2001, the Company held 28,988 gross developed acres and 2,398,970 gross undeveloped acres in Argentina on which the Company may conduct future exploration activities. For more information, see "Item 2. Properties--Oil and Gas" of this Form 10-K.

CHINA. Samedan, through its subsidiary, Energy Development Corporation (China), Inc., has been actively engaged in exploration, exploitation and development of oil and gas properties in China since 1996. The Company has two concessions in South Bohai Bay, offshore China. These concessions, Cheng Dao Xi and Cheng Zi Kou, are contiguous and adjoin non-owned production in the southern portion of Bohai Bay. At December 31, 2001, the

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Company held 7,413 gross developed acres and 3,728,198 gross undeveloped acres in China on which the Company may conduct future exploration activities. For more information, see "Item 2. Properties--Oil and Gas" of this Form 10-K.

ECUADOR. Samedan, through its subsidiary, EDC Ecuador Ltd., has been actively engaged in exploration, exploitation and development of oil and gas properties in Ecuador since 1996. The Company's objective in Ecuador is to develop the gas market for the Amistad gas field (offshore Ecuador) which was discovered in the late 1970's. The gas will be used to generate electricity from a power generation facility, owned 100 percent by the Company, near the city of Machala. The facility will ultimately be capable of generating 240 megawatts of electricity into the Ecuadorian power grid. The concession covers 12,355 gross developed acres and 851,771 gross undeveloped acres encompassing the Amistad field. For more information, see "Item 2. Properties--Oil and Gas" of this Form 10-K.

EQUATORIAL GUINEA. Samedan, through its subsidiary, Samedan of North Africa, Inc., has been actively engaged in exploration, exploitation and development of oil and gas properties offshore Equatorial Guinea (West Africa) since 1990. The primary offshore Equatorial Guinea production is from the Alba field, which produces gas and condensate. The gas production is being utilized as feedstock by a methanol plant, which began production in the second quarter of 2001. The plant is owned by AMPCO, in which the Company indirectly owns a 45 percent interest through its 50 percent ownership of AMCCO. For more information on the methanol plant, see "Item 1. Business--Unconsolidated Subsidiary" of this Form 10-K. Based on reserve estimates, the Alba field can deliver sufficient gas for the plant to operate for 30 years. At December 31, 2001, the Company held 45,203 gross developed acres and 266,754 gross undeveloped acres offshore Equatorial Guinea on which the Company may conduct future exploration activities. For more information, see "Item 2. Properties--Oil and Gas" of this Form 10-K.

NORTH SEA. Samedan, through its subsidiaries, EDC (Europe) Limited, EDC (Denmark) Inc. and EDC Ireland, has been actively engaged in exploration, exploitation and development of oil and gas properties in the North Sea since 1996. The Company's current oil and gas production in the North Sea is derived from 141 wells operated by others. Reservoirs in the North Sea tend to have the same attributes as Gulf of Mexico reservoirs. At December 31, 2001, the Company held 202,199 gross developed acres and 805,177 gross undeveloped acres on which the Company may conduct future exploration activities. For more information, see

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"Item 2. Properties--Oil and Gas" of this Form 10-K.

MEDITERRANEAN SEA. The Company, through its subsidiary, Samedan, Mediterranean Sea, owns a 47 percent interest in 11 licenses, permits or leases. At December 31, 2001, the Company held 123,552 gross developed acres and 1,122,053 gross undeveloped acres. The acreage is located about 20 miles offshore Israel in water depths ranging from 700 feet to 5,000 feet. The Company and its partners expect to provide approximately 170 MMCF of natural gas per day to Israeli Electric Corporation beginning in early 2004. For more information, see "Item 2. Properties--Oil and Gas" of this Form 10-K.

VIETNAM. The Company, through its subsidiary, Samedan Vietnam Limited, owns a 60 percent interest in two offshore blocks totaling 1,701,812 gross undeveloped acres in the Nam Con Son basin. Samedan drilled two exploration wells in 2001. For more information, see "Item 2. Properties--Oil and Gas" of this Form 10-K.

PRODUCTION ACTIVITIES

OPERATED PROPERTY STATISTICS. The percentage of oil and gas wells operated and the percentage of sales volume from operated properties are shown in the following table as of December 31:

(IN PERCENTAGES)	2001		2000		1999	
	OIL	GAS	OIL	GAS	OIL	GAS
Operated well count basis	24.8	60.6	23.1	66.0	22.8	61.2
Operated sales volume basis	37.2	52.3	48.3	64.5	48.1	59.8

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NET PRODUCTION. The following table sets forth Samedan's net oil and natural gas production including royalty, for the three years ended December 31:

	2001	2000	1999
Oil Production (MMBLS)	11.2	9.4	11.0
Gas Production (BCF)	154.2	148.7	166.1

OIL AND GAS EQUIVALENTS. The following table sets forth Samedan's net production stated in oil and gas equivalent volumes, for the three years ended December 31:

	2001	2000	1999
Total Oil Equivalents (MMBOE)	36.9	34.2	38.6
Total Gas Equivalents (BCFe)	221.3	205.4	231.8

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ACQUISITIONS OF OIL AND GAS PROPERTIES, LEASES AND CONCESSIONS

During 2001, Samedan spent approximately \$98 million on the purchase of proved oil and gas properties. Samedan spent approximately \$99 million in 2000 and \$.1 million in 1999 on proved properties. For more information, see "Item 2. Properties--Oil and Gas" of this Form 10-K.

During 2001, Samedan spent approximately \$81 million on acquisitions of unproved properties. Samedan spent approximately \$17.6 million in 2000 and \$7.9 million in 1999 on acquisitions of unproved properties. These properties were acquired primarily through various offshore lease sales, domestic onshore lease acquisitions and international concession negotiations. For more information, see "Item 2. Properties--Oil and Gas" of this Form 10-K.

MARKETING

NGM seeks opportunities to enhance the value of the Company's gas by marketing directly to end users and aggregating gas to be sold to gas marketers and pipelines. During 2001, approximately 70 percent of NGM's total sales were to end users. NGM is also 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 Pipeline, Inc., engages in the installation, purchase and operation of gas gathering systems.

Samedan has short-term gas sales contracts with NGM, whereby Samedan is paid an index price for all gas sold to NGM. Samedan sold approximately 83 percent of its natural gas production to NGM in 2001. Sales, including hedging transactions, are recorded as gathering, marketing and processing revenues. NGM records the amount paid to Samedan and third parties as cost of sales in gathering, marketing and processing. All intercompany sales and expenses are eliminated in the Company's consolidated financial statements. The Company has a small number of long-term gas contracts representing less than two percent of its total gas sales.

Oil produced by the Company is sold to purchasers in the United States and 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 by trucks to gatherers, transportation companies and end users. NTI markets approximately 38 percent of the Company's oil production as well as certain third-party oil. The Company records all of NTI's sales as gathering, marketing and processing revenues and records cost of sales in gathering, marketing and processing costs. All intercompany sales and expenses are eliminated in the Company's consolidated financial statements.

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 oil price decreased \$2.21 from \$24.37 per BBL in 2000 to \$22.16 per BBL in 2001. Due to the volatility of oil prices, the Company, from time to time, has used hedging instruments and may do so in the future as a means of controlling its exposure to price changes. For additional information, see "Item 7a. Quantitative and Qualitative Disclosures About Market Risk" and "Item 8.

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Financial Statements and Supplementary Data" of this Form 10-K.

Substantial competition in the natural gas marketplace continued in 2001. Gas prices, which were once determined largely by governmental regulations, are now determined by the marketplace. The Company's average gas price increased from \$3.77 per MCF in 2000 to \$3.94 per MCF in 2001. Due to the volatility of gas prices, the Company, from time to time, has used hedging instruments and may do so in the future as a means of controlling its exposure to price changes. For additional information, see "Item 7a. Quantitative and Qualitative Disclosures About Market Risk" and "Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

The largest single non-affiliated purchaser of the Company's oil production in 2001 accounted for approximately 16 percent of the Company's oil sales, representing approximately two percent of total revenues. The five largest purchasers accounted for approximately 37 percent of total oil sales. The largest single non-affiliated purchaser of the Company's gas production in 2001 accounted for approximately three percent of its gas sales. The five largest purchasers accounted for approximately 10 percent of total gas sales. The Company does not believe that its loss of a major oil or gas purchaser would have a material effect on the Company.

REGULATIONS AND RISKS

GENERAL. Exploration for and production and sale of oil and gas are extensively regulated at the international, national, state and local levels. Oil and gas development and production activities are subject to various laws and regulations (and orders of regulatory bodies pursuant thereto) governing a wide variety of matters, including allowable rates of production, prevention of waste and pollution, and protection of the environment. Laws affecting the oil and gas industry are under constant review for amendment or expansion and frequently increase the regulatory burden on companies. Our ability to economically produce and sell our oil and gas production is affected and could possibly be restrained by a number of legal and regulatory factors, including federal, state and local laws and regulations in the U.S. and laws and regulations of foreign nations. 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 the Company's profitability.

CERTAIN RISKS. In the Company'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 the Company to recover the costs incurred in obtaining the reserves or that reserves will be developed at a sufficient rate to replace reserves currently being produced and sold. The Company's international operations are also subject to certain political, economic and other uncertainties including, among others, risk 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 the Company conducts operations.

ENVIRONMENTAL MATTERS. As a developer, owner and operator of oil and gas properties, the Company 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 unauthorized release or discharge of oil or certain other regulated substances from the Company's domestic onshore or offshore facilities could subject the Company to liability under federal laws and regulations, including the Oil Pollution Act of 1990, the Outer Continental

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Shelf Lands Act and the Federal Water Pollution Control Act, as amended. These laws, among others, impose liability for such a release or discharge for pollution cleanup costs, damage to natural resources and the environment, various forms of direct and indirect economic losses, civil or criminal penalties, and orders or injunctions, including those that can require the suspension or cessation of operations causing or impacting or potentially impacting such release or discharge.

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The liability under these laws for a substantial such release or discharge, subject to certain specified limitations on liability, may be extraordinarily large. If any pollution was caused by willful misconduct, willful negligence or gross negligence within the privity and knowledge of the Company, or was caused primarily by a violation of federal regulations, the Federal Water Pollution Control Act provides that such limitations on liability do not apply. Certain of the Company's facilities are subject to regulations that require the preparation and implementation of spill prevention control and countermeasure plans relating to the prevention of, and preparation for, the possible discharge of oil into navigable waters.

The Comprehensive Environmental Response, Compensation and Liability Act, as amended ("CERCLA"), also known as "Superfund," imposes liability on certain classes of persons that generated a hazardous substance that has been released 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, as amended, ("RCRA") and regulations promulgated thereunder, regulate hazardous waste, including its generation, 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 substance and hazardous waste, respectively. The Company's operations, however, may involve the use or handling of other materials that may be classified as hazardous substances and hazardous wastes, and therefore, these statutes and regulations promulgated under them would apply to the Company'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 the Company'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 and common law 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 the Company or on its subsidiaries.

The Company 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. The Company has various types of insurance coverages as are customary

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in the industry which include, in various degrees, general liability, control of well, loss of production, pollution, political risks and physical damage insurance. The Company believes the coverages and types of insurance are adequate.

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 the Company competes are larger and have greater financial resources than the Company.

The availability of a ready market for the Company'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 and proximity of pipelines and other transportation facilities, regulation by state and federal authorities and the costs of complying with applicable environmental regulations.

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UNCONSOLIDATED SUBSIDIARY

The Company has an unconsolidated subsidiary, Atlantic Methanol Capital Company ("AMCCO"), a 50 percent owned joint venture that owns an indirect 90 percent interest in Atlantic Methanol Production Company ("AMPCO"). The Company accounted for its interest in AMCCO through 2001 using the equity method within the Company's wholly-owned subsidiary, Samedan of North Africa, Inc. The Company participated with a 50 percent expense interest (45 percent ownership net of a five percent government carried interest) in the construction of a methanol plant in Equatorial Guinea. The total construction costs of the plant and supporting facilities as of December 31, 2001 were \$403 million including various contingencies, with the Company responsible for \$201.5 million. AMPCO estimates that an additional \$32 million will be incurred to complete various supporting facilities to finalize the project. The Company will be responsible for \$16 million in 2002. The plant is designed to produce 2,500 metric tons of methanol per day, which equates to approximately 20,000 BBLs per day. At this level of production, the plant would use approximately 125 MMCF of gas per day from the 34 percent owned Alba field as feedstock. Reserve estimates indicate the Alba field can deliver sufficient gas for the plant to operate 30 years. The methanol plant was completed and on line in the second quarter of 2001. During 1999, AMCCO issued \$250 million senior secured notes due 2004 that are not included in the Company's balance sheet. On January 2, 2002, the Company's partner in AMCCO directed AMCCO to sell 50 percent of its interest in AMPCO as a component of the partner's sale of all of its Equatorial Guinea assets. The proceeds of the AMPCO sale were used to repay in full AMCCO's \$125 million Series A-1 Notes on January 28, 2002 and to make a distribution to the Company's partner. Since the Company's partner in AMCCO no longer retains an economic interest in AMPCO, the Company will consolidate the results of AMCCO, thereby including the \$125 million Series A-2 Notes in the Company's balance sheet. The terms of the \$125 million Series A-2 Notes remain unchanged. For more information, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8. Financial Statements and Supplementary Data--Note 9 - Unconsolidated Subsidiary" of this Form 10-K.

EMPLOYEES

The total number of employees of the Company increased during the year from 576 at December 31, 2000, to 610 at December 31, 2001.

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ITEM 2. PROPERTIES.

OFFICES

The principal executive office of the Registrant is located in Houston, Texas. The Company maintains offices for international, domestic onshore and domestic offshore operations in Houston, Texas. The Company also maintains offices in China, Ecuador, Israel, the United Kingdom and Vietnam. NGM's office and NTI's office are located in Houston, Texas. The Company also maintains offices in Ardmore, Oklahoma for centralized accounting, division orders, human resources and related administrative functions.

OIL AND GAS

The Company, directly or through various arrangements with others, searches for potential oil and gas properties, seeks to acquire exploration rights in areas of interest and conducts exploratory activities. These activities include geophysical and geological evaluation and exploratory drilling, where appropriate, on properties for which it acquired exploration rights. During 2001, Samedan drilled or participated in the drilling of 293 gross (118.1 net) wells, comprised of 103 gross (21.3 net) international wells and 190 gross (96.8 net) domestic wells. For more information regarding Samedan's oil and gas properties, see "Item 1. Business--Oil and Gas" of this Form 10-K.

DOMESTIC OFFSHORE. The Lost Ark prospect on East Breaks 421 is the Company's first operated commercial deepwater discovery in the Gulf of Mexico. The East Breaks 421 #1 well was drilled to a total depth of 7,700 feet

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in 2,700 feet of water. The well, in which the Company owns a 48 percent working interest, encountered a gross gas pay section from 6,695 feet to 6,805 feet, with high porosity and permeability.

Other deepwater gas discoveries include Mississippi Canyon 278 and 837, in which Samedan owns a 30 percent and a 40 percent working interest, respectively; Garden Banks 240, in which Samedan owns a 100 percent working interest; and Green Canyon 136, in which Samedan owns a 25 percent working interest.

Deepwater oil discoveries include Green Canyon 282, in which Samedan owns a 25 percent working interest, and Viosca Knoll 917/962, in which Samedan owns a 20 percent working interest.

The Mound Point prospect, located offshore Louisiana on State Lease 340, was drilled to 18,704 feet, logging two potential pay sections. Production casing has been run and a completion and testing program is being designed. The Company owns a 25 percent working interest.

Samedan was the successful bidder, alone or with partners, on 33 lease blocks at the Central Gulf of Mexico Outer Continental Shelf Sale 178. The high bids totaled approximately \$27.5 million net to the Company's interest. Nineteen of the high bids were on blocks in deepwater and 14 were on blocks located on the shelf. Samedan will be the designated operator on 19 of the blocks.

DOMESTIC ONSHORE. During the fourth quarter of 2001, the Company acquired all of Aspect Energy's interests in 110 wells located along the Texas and Louisiana Gulf Coast. Current production is approximately 1,900 BBLs of oil per day and 57 MMCF of gas per day. We acquired approximately 59 BCFe of reserves along with working capital and hedging positions. Also acquired was a 50 percent interest in Aspect's future drilling prospects in this region. As part of the transaction, the Company paid \$107 million in cash, issued \$14 million of common

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stock previously held in treasury and assumed a \$40 million note payable.

Key domestic onshore exploration projects in 2001 included the exploitation of the Miogyp Trend in southwest Louisiana. Discoveries in this trend include the Thompson #1, which was tested at a rate of 10 MMCF of gas per day and 52 BBLs of condensate per day, and the McConnell #4, which tested at a rate of 15 MMCF of gas per day and 62 BBLs of condensate per day. Samedan owns a 63 percent and a 20 percent working interest, respectively.

The Runnells #5 in Matagorda County, Texas was completed and tested at a rate of 21 MMCF of gas per day and 710 BBLs of condensate per day. The Runnells #5 is a follow-up to the Runnells #3 discovery. The Company owns a 23 percent working interest in both wells.

ARGENTINA. The Company's wholly-owned subsidiary, Energy Development Corporation (Argentina), Inc., participated with a 13 percent working interest in 70 exploitation wells in the El Tordillo field during 2001. The Company is awaiting government approval on an oil and gas exploration permit of approximately 1.2 million acres. The permit is located in the Cuyo Basin of Mendoza Province in western Argentina. The Company was the successful bidder on an adjacent permit of approximately 1.1 million acres.

CHINA. The Company's wholly-owned subsidiary, Energy Development Corporation (China), Inc., entered into an agreement to acquire a 50 percent working interest in South China Sea blocks 16/02, 16/05 and 26/35. The blocks encompass approximately two million acres in the Pearl River Mouth Basin. The HuizhouSag block 16/02 tested 1,581 BBLs of oil per day and 2 MMCF of natural gas per day.

ECUADOR. EDC Ecuador Ltd. completed the successful testing of a well located offshore Ecuador in the Gulf of Guayaquil block 3. The Amistad #7 is an exploratory well that is part of a four-well work program on the block. The well was drilled from a platform located 30 miles offshore in 134 feet of water. The well tested 19.4 MMCF of gas per day from 172 feet of perforations on a 32/64-inch choke with 3,208 pounds per square inch of flowing tubing pressure at the wellhead. It logged 472 feet of gross sand thickness in the Miocene Age Progreso formation. The Company owns a 100 percent working interest in the field.

The gas will be used to generate electricity from a power generating facility, owned 100 percent by the Company, near the city of Machala. The facility will ultimately be capable of generating 240 megawatts of electricity into the Ecuadorian power grid.

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EQUATORIAL GUINEA. The Alba #9 was successfully completed and tested as a major natural gas and condensate well in the Alba field offshore Equatorial Guinea. The well is located 2.4 miles from the nearest producing well in the Alba field, which is located 18 miles offshore, northwest of Bioko Island. The well tested at a rate of 37.5 MMCF of gas per day and 2,400 BBLs of condensate per day from 120 feet of perforations on a one-inch choke at 2,473 pounds per square inch flowing tubing pressure. Estimated proven and probable reserves for the Alba field now total more than 300 MMBBLs of liquid hydrocarbons associated with 1.6 TCF of natural gas. The Company owns a 34 percent working interest in the field.

The Estrella #1, in which the Company owns a 34 percent working interest, was drilled to a depth of 10,324 feet in approximately 200 feet of water 22 miles northwest of Bioko Island. The well flow tested at a combined stabilized rate of 6,780 BBLs of condensate and 47 MMCF of natural gas per day from two intervals between 6,950 feet and 7,200 feet. The well results are currently being evaluated for possible early production. The Alba field "A" platform is located

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approximately five miles south of the Estrella well. Further drilling to determine the ultimate size of the Estrella accumulation is being evaluated.

The Company's unconsolidated subsidiary, AMCCO, is a 50 percent owned joint venture that owns an indirect 90 percent interest in AMPCO, which completed construction of a methanol plant in Equatorial Guinea in the second quarter of 2001. The plant construction started during 1998 and initial production of commercial grade methanol commenced May 2, 2001. Operating at full capacity, the facility converts approximately 125 MMCF of gas per day into approximately 2,500 metric tons (20,000 BBLs) of methanol per day for commercial markets. During 2001, 12 shipments of methanol were delivered, five to European markets and seven to markets in the United States.

ISRAEL. The Company's wholly-owned subsidiary, Samedan, Mediterranean Sea, and its partners expect to provide approximately 170 MMCF of natural gas per day to Israeli Electric Corporation beginning in early 2004, for use in IEC's power plants. The gas will be produced from the Mari-B and Noa prospects, which had discovery wells drilled in 2000 and 1999, respectively, offshore Israel and production is anticipated to begin in 2004.

NORTH SEA. The Company's wholly-owned subsidiary, EDC (Europe) Limited, received United Kingdom approval for a \$50 million development of the Hannay oil field. The Hannay field is located in the UK sector of the North Sea in block 20/5c. The operator has estimated reserves of eight MMBBLs of oil equivalent with a field life of eight years. The Company owns a 15 percent working interest in the field.

Oil production commenced in August from the Hanze field in the North Sea, off the coast of the Netherlands. Production started at a rate of 11,000 BBLs of oil per day in August 2001 and by year-end the block was producing approximately 30,000 BBLs of oil per day. The Company owns a 15 percent working interest in the field which is located in block F2a and is the first offshore oil chalk reservoir ever developed in the Netherlands.

VIETNAM. The Company's wholly-owned subsidiary, Samedan Vietnam Limited, successfully tested a discovery well in the Swan prospect, which is located in block 12W offshore Vietnam. The well, 12W-TN-1X, is located approximately 230 miles southeast of Ho Chi Minh City in the Nam Con Son Basin in 260 feet of water. It was drilled to a total depth of 14,626 feet and tested natural gas at a stabilized flow rate of 20 MMCF of gas per day with 150 BBLs of condensate per day from a perforated interval of 131 feet during a drill stem test at 12,884 feet in the Upper Oligocene Cau formation. Further evaluation, including a 3D seismic survey and a confirmation well, will be needed to determine the commercial significance of the discovery. The Company owns a 60 percent working interest in the 567,000 acre block.

The Lark prospect, located offshore Vietnam in block 12E, was non-commercial.

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NET EXPLORATORY AND DEVELOPMENTAL WELLS. 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. Completion refers to

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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.

YEAR ENDED DECEMBER 31,	NET EXPLORATORY WELLS				NET DEVELOPMENT WELLS			
	PRODUCTIVE (1)		DRY (2)		PRODUCTIVE (1)		DRY (2)	
	U.S.	INT'L	U.S.	INT'L	U.S.	INT'L	U.S.	INT'L
2001	4.87	.63	10.79	5.41	68.30	13.67	12.88	1.62
2000	17.86	3.94	10.59	1.00	101.89	5.99	4.17	.57
1999	6.97	2.00	6.14	.55	26.10	4.82	2.42	.01

(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.

At January 31, 2002, Samedan was drilling 6 gross (2.7 net) exploratory wells and 11 gross (4.0 net) development wells. These wells are located onshore in Texas, Colorado, Argentina, and offshore in the Gulf of Mexico, China, Equatorial Guinea and the North Sea. These wells have objectives ranging from approximately 2,600 feet to 16,900 feet. The drilling cost to Samedan of these wells is approximately \$21 million if all are dry and approximately \$31 million if all are completed as producing wells.

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OIL AND GAS WELLS. The number of productive oil and gas wells in which Samedan held an interest as of December 31 follows:

	2001 (1) (3)		2000 (1) (3)		1999 (1) (2) (3)	
	GROSS	NET	GROSS	NET	GROSS	
OIL WELLS						
United States - Onshore	1,364.5	573.6	1,341.5	564.0	1,512.5	68
United States - Offshore	212.5	120.0	210.5	119.2	254.5	12
INTERNATIONAL	670.0	75.7	604.0	66.2	1,041.0	12
TOTAL	2,247.0	769.3	2,156.0	749.4	2,808.0	93
GAS WELLS						
United States - Onshore	1,673.5	1,025.7	1,532.5	947.1	1,435.5	87
United States - Offshore	333.5	143.3	300.5	133.4	406.5	15
INTERNATIONAL	38.0	8.4	31.0	3.5	27.0	
TOTAL	2,045.0	1,177.4	1,864.0	1,084.0	1,869.0	1,02

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- (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) During 1999, the Company sold 250 net non-strategic wells.
- (3) One or more completions in the same bore hole are counted as one well in this table.

The following table summarizes multiple completions and non-producing wells as of December 31 for the years shown. Included in wells not producing are productive wells awaiting additional action, pipeline connections or shut-in for various reasons.

	2001		2000		1999
	GROSS	NET	GROSS	NET	GROSS
MULTIPLE COMPLETIONS					
Oil	13.5	6.9	13.5	6.9	14.0
Gas	36.5	14.0	36.5	14.0	49.0
NOT PRODUCING (SHUT-IN)					
Oil	391.0	179.2	386.0	177.5	857.0
Gas	100.0	36.3	62.0	20.6	33.0

At year-end 2001, Samedan had less than two percent of its oil and gas sales volumes committed to long-term supply contracts and had no similar agreements with foreign governments or authorities in which Samedan acts as producer.

Since January 1, 2001, 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 ("EIA"). Samedan files Form 23, including reserve and other information, with the EIA.

AVERAGE SALES PRICE. The following table sets forth, for each of the last three years, the average sales price per unit of oil produced and per unit of natural gas produced, and the average production cost per unit.

	YEAR ENDED DECEMBER 31,		
	2001	2000	1999

Average sales price per BBL of oil (1):

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United States	\$	22.88	\$	23.75	\$	1
International	\$	21.06	\$	26.09	\$	1
Combined (2)	\$	22.16	\$	24.37	\$	1

Average sales price per MCF of natural gas (1):

United States	\$	4.24	\$	3.90	\$
International	\$	1.40	\$	2.08	\$
Combined (3)	\$	3.94	\$	3.77	\$

Average production (lifting) cost per unit of oil and natural gas production, excluding depreciation (MCFe) (4):

United States	\$.66	\$.59	\$
International	\$.46	\$.64	\$
Combined	\$.60	\$.59	\$

- (1) Net production amounts used in this calculation include royalties.
- (2) Reflects a reduction of \$2.92 per BBL in 2000 from hedging in the United States.
- (3) Reflects an increase of \$.03 per MCF in 2001 from hedging in the United States.
- (4) Oil production is converted to gas equivalents (MCFe) based on one BBL of oil equals six MCF of gas.

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[MAP OF FACILITY]

BLOCK	NET WORKING INTEREST (%)
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EAST BREAKS

279	33
464*	48
465*	48
475*	100
510*	33
519*	100
563*	100

GREEN CANYON

23*	50
24*	43
25*	43
27*	43
85*	50
227*	50
228*	50
303*	40

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507*	50
723*	100
724*	100
768*	100
955*	7
958*	25
WEST CAMERON	
136	40
392	100
393	100
400	100
419	100
422	50
438	100
443	100
446	100
MUSTANG ISLAND	
829	80
830	80
831	100
VERMILION	
195	25
207	25
208	25
232	50
278	100
280	50
285	100
293	50
300	50
310	50
353	100
360	67
361	67
365	50
377	100
391	100
GARDEN BANKS	
25	50
35	100
116	100
122	100
154	100
326*	100
751*	100
795*	100
841*	39
MAIN PASS	
107	25
109	25
110	25
192	100
293	100
EAST CAMERON	
342	67
355	100

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SOUTH TIMBALIER

98	50
156	67
201	100
316	40

GALVESTON

249-L	50
250-L	50
274-L	50
275-L	50
277-L	50
340-S	50
341-S	50

SOUTH MARSH ISLAND

38	100
62	67
63	67
64	67
65	67
70	50
104	100
145	100
167	100
195	50

MISSISSIPPI CANYON

26*	75
70*	75
71*	75
123*	75
159*	75
524*	50
583*	50
595*	24
602*	75
639*	24
661	25
665*	50
837*	40
849*	48
855*	40
857*	40
900*	40
901*	40
911*	40
999*	30
1000*	30

SHIP SHOAL

73	50
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BRAZOS

308-L	50
336-L	50
337-L	50
543	100

EWING BANK

833*	14
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834*	14
879*	40
949	97
993	48
995	43
996	43
EUGENE ISLAND	
96	25
97	25
109	25
317	67
HIGH ISLAND	
A-218	100
A-230	100
A-426	33
A-435	33
A-516	100
VIOSCA KNOLL	
23	100
344	100
697	50
820	50
864*	35
908*	100
ATWATER VALLEY	
10*	100
11*	100
23*	100
67*	100
327*	39
533*	40

*Located in water deeper than 1,000 feet.

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The developed and undeveloped acreage (including both leases and concessions) that Samedan held as of December 31, 2001, is as follows:

LOCATION	DEVELOPED ACREAGE (1) (2)		UNDEVELOPED
	GROSS ACRES	NET ACRES	GROSS ACRES

United States Onshore			
Alabama			2,396
California	5,170	2,109	4,899
Colorado	61,678	59,105	20,380
Kansas	92,281	52,833	17,803
Louisiana	28,188	8,563	27,590
Michigan			1,876
Mississippi	878	34	1,884
Montana	172,683	119,113	8,292
New Mexico	3,117	1,766	1,520

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North Dakota	1,932	1,554	4,431
Oklahoma	141,603	54,915	31,869
Texas	99,348	43,316	154,331
Utah	5,160	2,433	1,832
Wyoming	31,222	18,682	68,525

Total United States Onshore	643,260	364,423	347,628

United States Offshore (Federal Waters)			
Alabama	80,640	39,168	31,363
California	38,834	12,039	52,364
Florida			11,520
Louisiana	618,006	261,285	372,160
Mississippi	22,411	10,141	34,560
Texas	235,287	98,672	189,007

Total United States Offshore (Federal Waters)	995,178	421,305	690,974

International			
Argentina	28,988	3,977	2,398,970
China	7,413	4,225	3,728,198
Denmark			80,902
Ecuador	12,355	12,355	851,771
Equatorial Guinea	45,203	15,727	266,754
Ireland			263,803
Israel	123,552	58,142	1,122,053
Netherlands	70,672	10,601	97,952
United Kingdom	131,527	4,566	362,520
Vietnam			1,701,812

Total International	419,710	109,593	10,874,735

Total	2,058,148	895,321	11,913,337

- (1) Developed acreage is acreage spaced or assignable to productive wells.
- (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.
- (3) Undeveloped acreage is considered to be those leased 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 leased 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.
- (4) The Argentina acreage includes two concessions totaling 2,314,633 acres subject to final regulatory approval.

ITEM 3. LEGAL PROCEEDINGS.

The Company has various lawsuits pending but does not believe the outcome of the

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lawsuits, individually or collectively, will materially impair the Company's financial and operational condition.

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

There were no matters submitted to a vote of security holders during the fourth quarter of 2001.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information, as of March 11, 2002, with respect to the executive officers of the Registrant.

Name	Age	Position
Charles D. Davidson (1)	52	Chairman of the Board, President, Chief Executive Officer
Alan R. Bullington (2)	50	Vice President, International
Robert K. Burleson (3)	44	Vice President, Business Administration and President, Marketing, Inc.
Susan M. Cunningham (4)	46	Senior Vice President, Exploration
Albert D. Hoppe (5)	57	Senior Vice President, General Counsel and Secretary
James L. McElvany (6)	48	Vice President, Chief Financial Officer, Treasurer and Secretary
Richard A. Peneguy, Jr. (7)	51	Vice President, Offshore
William A. Poillion, Jr. (8)	52	Senior Vice President, Production and Drilling
Ted A. Price (9)	42	Vice President, Onshore
Kenneth P. Wiley (10)	49	Vice President, Information Systems

(1) Charles D. Davidson was elected Chairman of the Board on April 24, 2001 and President and Chief Executive Officer of the Company on October 2, 2000. Prior to October 2000, he served as President and Chief Executive Officer of Vastar Resources, Inc. from March 1997 to September 2000 (Chairman from April 2000) and was a Vastar Director from March 1994 to September 2000. From September 1993 to March 1997, he served as a Senior Vice President of Vastar.

(2) Alan R. Bullington was promoted to Vice President, International of Noble Affiliates, Inc. effective April 24, 2001 and to Vice President and General Manager, International Division of Samedan on January 1, 1998. Prior thereto, he served as Manager-International Operations and Exploration and as Manager-International Operations. Prior to his employment with Samedan in 1990, he held various management positions within the exploration and production division of Texas Eastern Transmission Company.

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- 3) Robert K. Burluson was appointed Vice President, Business Administration of Noble Affiliates, Inc. on January 29, 2002. Prior thereto, he was promoted to Vice President of Noble Affiliates, Inc. effective April 24, 2001 and has served as President of Noble Gas Marketing, Inc. since June 14, 1995. Prior to June 1995, he served as Vice President-Marketing for Noble Gas Marketing since its inception in 1994. Previous to his employment with the Company, he was employed by Reliant Energy as Director of Business Development for their interstate pipeline, Reliant Gas Transmission.
- (4) Susan M. Cunningham joined Noble Affiliates, Inc. in March 2001 as Senior Vice President, Exploration. Previous to her employment with the Company, she was employed by Texaco as Vice President - Worldwide Exploration. Prior thereto, she held senior exploration management positions with Statoil and Amoco.
- (5) Albert D. Hoppe was elected Senior Vice President, General Counsel and Secretary of Noble Affiliates, Inc. on December 5, 2000. Prior thereto, he served as Vice President, General Counsel and Secretary of Vastar Resources, Inc. from 1994 through 2000.
- (6) James L. McElvany has served as Vice President, Chief Financial Officer, Treasurer and Assistant Secretary of Noble Affiliates, Inc. since July 1, 1999. Prior to July 1999, he had served as Vice President-Controller since December 1997. Prior thereto, he served as Controller since December 1983.
- (7) Richard A. Peneguy, Jr. was promoted to Vice President, Offshore of Noble Affiliates, Inc. on January 29, 2002. Prior thereto, he was promoted to Vice President of Noble Affiliates, Inc. effective April 24, 2001. Prior to April 2001, he served as Vice President and General Manager, Onshore Division of Samedan since January 1, 2000 and he had served as General Manager, Onshore Division of Samedan since January 1, 1991.
- (8) William A. Poillion, Jr. was promoted to Senior Vice President, Production and Drilling of Noble Affiliates, Inc. on January 1, 1998. Prior thereto, he had served as Vice President-Production and Drilling of Samedan since November 1990. From March 1, 1985 to October 31, 1990, he served as Manager of Offshore Production and Drilling for Samedan.
- (9) Ted A. Price was promoted to Vice President, Onshore of Noble Affiliates, Inc. on January 29, 2002. Prior thereto, he served as Manager of Onshore Exploration since 1999. He had served as Onshore Region Geologist since March 1994 and as a Staff Geologist for Samedan since May 1981.
- (10) Kenneth P. Wiley has served as Vice President, Information Systems of Noble Affiliates, Inc. since July 1998. Prior thereto, he served as Manager-Information Systems for Samedan since November 1994.

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 currently has an employment agreement with the Registrant or any of its subsidiaries, although Mr. Davidson had an employment agreement with the Registrant until February 1, 2002. There are no family relationships between any of the Registrant's officers.

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PART II

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

COMMON STOCK. The Registrant's Common Stock, \$3.33 1/3 par value ("Common Stock"), is listed and traded on the New York Stock Exchange under the symbol "NBL." The declaration and payment of dividends are at the discretion of the Board of Directors of the Registrant and the amount thereof will depend on the Registrant's results of operations, financial condition, contractual restrictions, cash requirements, future prospects and other factors deemed relevant by the Board of Directors.

STOCK PRICES AND DIVIDENDS BY QUARTERS. The following table sets forth, for the periods indicated, the high and low sales price per share of Common Stock on the New York Stock Exchange and quarterly dividends paid per share.

	HIGH	LOW	DIVIDENDS PER SHARE

2001			

First quarter	\$ 51.09	\$ 39.63	\$.04
Second quarter	\$ 45.20	\$ 34.26	\$.04
Third quarter	\$ 38.19	\$ 27.50	\$.04
Fourth quarter	\$ 40.00	\$ 30.00	\$.04
2000			

First quarter	\$ 33.63	\$ 19.19	\$.04
Second quarter	\$ 42.38	\$ 29.13	\$.04
Third quarter	\$ 41.50	\$ 28.88	\$.04
Fourth quarter	\$ 48.38	\$ 34.69	\$.04

TRANSFER AGENT AND REGISTRAR. The transfer agent and registrar for the Common Stock is First Union National Bank, NC1153, 1525 West W. T. Harris Blvd., 3C3, Charlotte, North Carolina 28262-1153.

STOCKHOLDERS' PROFILE. As of December 31, 2001, the number of holders of record of Common Stock was 1,125. The following chart indicates the common stockholders by category.

	SHARES OUTSTANDING

Individuals	682,804
Joint accounts	56,176
Fiduciaries	121,177
Institutions	2,513,452
Nominees	53,623,611
Foreign	8,581

Total-excluding Treasury Shares	57,005,801

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SALES OF UNREGISTERED SECURITIES. The Company's unconsolidated subsidiary, AMCCO, is a 50 percent owned joint venture that owns an indirect 90 percent interest in AMPCO, which completed construction of a methanol plant in Equatorial Guinea in the second quarter of 2001. On November 10, 1999, AMCCO issued \$125 million of 10.875% Series A-1 Senior Secured Notes ("Series A-1 Notes") and \$125 million of 8.95% Series A-2 Senior Secured Notes ("Series A-2 Notes") due 2004, which are not included in the Company's balance sheet, to fund the Company's portion of the construction payments. For more information, see "Item 8. Financial Statements and Supplementary Data--Note 9 - Unconsolidated Subsidiary" of this Form 10-K.

On January 2, 2002, the Company's partner in AMCCO directed AMCCO to sell 50 percent of its interest in AMPCO as a component of the partner's sale of all of its Equatorial Guinea assets. The proceeds of the AMPCO sale were used to repay in full AMCCO's \$125 million Series A-1 Notes on January 28, 2002 and to make a distribution to the Company's partner. Since the Company's partner in AMCCO no longer retains an economic interest in AMPCO, the Company will consolidate the results of AMCCO, thereby including the \$125 million Series A-2 Notes in the Company's balance sheet. The terms of the \$125 million Series A-2 Notes remain unchanged.

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At the same time the Series A-2 Notes were issued, the Company guaranteed the payment of interest on the Series A-2 Notes and issued, in a private placement pursuant to Section 4(2) of the Securities Act, 125,000 shares of its Series B Mandatorily Convertible Preferred Stock, par value \$1.00 per share (the "Series B Preferred") to Noble Share Trust, which is a Delaware statutory business trust, in exchange for all of the beneficial ownership interests in the Noble Share Trust.

Noble Share Trust holds the 125,000 shares of Series B Preferred for the benefit of the holders of the Series A-2 Notes. The Series A-2 indenture trustee, and the holders of 25 percent of the outstanding principal amount of the Series A-2 Notes, would have the right to require a public offering of the Series B Preferred to generate proceeds sufficient to repay the Series A-2 Notes, upon the occurrence of certain events ("Trigger Dates"), including (i) defaults under the Indenture governing the Series A-2 Notes, (ii) a default and acceleration of the Company's debt exceeding five percent of the Company's consolidated net tangible assets, and (iii) the simultaneous occurrence of a downgrade of the Company's unsecured senior debt rating to "Ba1" or below by Moody's or "BB+" or below by Standard & Poor's and a decline in the closing price of the Company's common stock for three consecutive trading days to below \$17.50. The exercise of this mandatory remarketing right is subject to certain forbearance provisions that would allow the Company the opportunity to obtain funds for the repayment of the Series A-2 Notes by alternative means for a specified period of time.

The terms of the Series B Preferred, including dividend and conversion features, would be reset at the time of the remarketing, based on the recommendation of Credit Suisse First Boston, as Remarketing Agent, as to the terms necessary to generate proceeds to repay the Series A-2 Notes. If the Remarketing Agent is not able to complete a registered public offering of the Series B Preferred, it may under certain circumstances conduct a private placement of such stock. If it is impossible for legal reasons to remarket the Series B Preferred, the Company would be obligated to repay the Series A-2 Notes.

The Series B Preferred stock would be mandatorily convertible into the Company's common stock three years after remarketing (or failed remarketing). Generally, each share of Series B Preferred would then be mandatorily convertible at the "Mandatory Conversion Rate," which is equal to the following number of shares of

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the Company's common stock:

(a) if the Mandatory Conversion Date Market Price is greater than or equal to the Threshold Appreciation Price, the quotient of (i) \$1,000 divided by (ii) the Threshold Appreciation Price;

(b) if the Mandatory Conversion Date Market Price is less than the Threshold Appreciation Price but is greater than the Reset Price, the quotient of \$1,000 divided by the Mandatory Conversion Date Market Price; and

(c) if the Mandatory Conversion Date Market Price is less than or equal to the Reset Price, the quotient of \$1,000 divided by the Reset Price.

"Mandatory Conversion Date Market Price" means the average closing price per share of the Company's common stock for the 20 consecutive trading days immediately prior to, but not including, the mandatory conversion date.

"Threshold Appreciation Price" means the product of (i) the Reset Price (as the same may be adjusted from time to time) and (ii) 110 percent.

"Reset Price" means the higher of (i) the closing price of a share of the Company's common stock on the Trigger Date or (ii) the quotient (rounded up to the nearest cent) of \$125,000,000 divided by the number, as of the Trigger Date, of the authorized but unissued shares of common stock that have not been reserved as of the Trigger Date by the Company's Board of Directors for other purposes.

In addition to the mandatory conversion discussed above, each share of the Series B Preferred is generally convertible, at the option of the holder thereof at any time before the mandatory conversion date, into 36.364 shares of the Company's common stock (the "Optional Conversion Rate"); provided, however, that the Optional Conversion Rate shall adjust, as of the earlier to occur of remarketing or failed remarketing, to the quotient of (i) \$1,000 divided by (ii) the Threshold Appreciation Price.

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ITEM 6. SELECTED FINANCIAL DATA.

	YEAR ENDED DECEMBER 31,		
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS AND RATIOS)	2001	2000	1999
REVENUES AND INCOME			
Revenues	\$ 1,572,263	\$ 1,393,591	\$ 909,842
Net cash provided by operating activities	635,772	570,334	343,100
Net income (loss)	133,575	191,597	49,461
PER SHARE DATA			
Basic earnings (loss) per share	\$ 2.36	\$ 3.42	\$.87
Cash dividends	\$.16	\$.16	\$.16
Year-end stock price	\$ 35.29	\$ 46.00	\$ 21.44
Basic weighted average shares outstanding	56,549	55,999	57,005
FINANCIAL POSITION (at year end)			
Property, plant and equipment, net:			
Oil and gas mineral interests,			
equipment and facilities	\$ 1,953,211	\$ 1,485,123	\$ 1,242,370
Total assets	2,479,848	1,879,280	1,420,351

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Long-term obligations:					
Long-term debt, net of current portion	837,177	525,494	445,319		
Deferred income taxes	176,259	117,048	83,075		
Other	75,629	61,639	53,877		
Shareholders' equity	1,010,198	849,682	683,609		
Ratio of debt to book capital	.45	.38	.39		
CAPITAL EXPENDITURES					
Oil and gas mineral interests, equipment and facilities	\$ 765,291	\$ 502,430	\$ 121,077	\$	
Methanol and power projects	95,716	98,737	89,728		
Other	1,932	4,430	1,410		

Total Capital Expenditures	\$ 862,939	\$ 605,597	\$ 212,215	\$	

For additional information, see "Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

OPERATING STATISTICS

							YEAR ENDED DECEMBER 31,					

							2001	2000	1999	1998		

GAS												
Sales (in millions)	\$	592.3	\$	549.9	\$	359.8	\$	441.8	\$			
Production (MMCF per day)		422.4		406.3		455.1		566.6				
Average price (per MCF)	\$	3.94	\$	3.77	\$	2.23	\$	2.18	\$			
OIL												
Sales (in millions)	\$	242.6	\$	224.2	\$	174.9	\$	154.3	\$			
Production (BBLs per day)		30,661		25,805		30,003		37,217			3	
Average price (per BBL) \$		22.16	\$	24.37	\$	16.29	\$	11.66	\$			
Royalty sales (in millions)	\$	20.9	\$	17.3	\$	14.0	\$	13.1	\$			

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

CRITICAL ACCOUNTING POLICIES AND PRACTICES

The use of estimates is necessary in the preparation of the Company's financial statements. The circumstances that make these judgments difficult, subjective and complex have to do with the need to make estimates about the effect of matters that are inherently uncertain. The use of estimates and assumptions affects the reported amounts of assets and liabilities. Such estimates and assumptions also affect the disclosure of legal reserves, platform abandonment reserves, oil and gas reserves, income taxes and other contingent assets and liabilities at the date of the financial statements, as well as amounts of revenues and expenses recognized during the reporting period. Of the estimates and assumptions that affect reported results, estimates of the Company's oil and gas reserves are the most significant. Changes in oil and gas reserve estimates impact the Company's calculation of depletion and abandonment expense and is critical in the Company's assessment of asset impairments. Management believes

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it is necessary to understand the Company's significant accounting policies, "Item 8. Financial Statements and Supplementary Data--Note 1 - Summary of Significant Accounting Policies" of this Form 10-K, in order to understand the Company's financial condition, changes in financial condition and results of operations.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

The Company's net cash provided from operations in 2001 was higher than 2000 due to higher natural gas prices during the first half of 2001 and increased oil and gas production volumes.

The oil price received by the Company in 2001 decreased nine percent from 2000 and the natural gas price received by the Company increased five percent in 2001 over the price received in 2000. In 2000, the Company's oil price increased 50 percent and the natural gas price increased 69 percent compared to 1999.

CASH PROVIDED FROM OPERATIONS

[CHART OF CASH PROVIDED FROM OPERATIONS]

[CHART OF CASH PROVIDED FROM OPERATIONS]

The Company's unconsolidated subsidiary, AMCCO, is a 50 percent owned joint venture that owns an indirect 90 percent interest in AMPCO, which completed construction of a methanol plant in Equatorial Guinea in the second quarter of 2001. During 1999, AMCCO issued \$250 million senior secured notes due 2004, which are not included in the Company's balance sheet at December 31, 2001. On January 2, 2002, the Company's partner in AMCCO directed AMCCO to sell 50 percent of its interest in AMPCO as a component of the partner's sale of all of its Equatorial Guinea assets. The proceeds of the AMPCO sale were used to repay in full AMCCO's \$125 million Series A-1 Notes on January 28, 2002 and to make a distribution to the Company's partner. Since the Company's partner in AMCCO no longer retains an economic interest in AMPCO, the Company will consolidate the results of AMCCO, thereby including the \$125 million Series A-2 Notes in the Company's balance sheet. The terms of the \$125 million Series A-2 Notes remain unchanged.

The plant construction started during 1998 and commercial production began on May 2, 2001. The total construction costs of the plant and supporting facilities as of December 31, 2001 were \$403 million including various

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contingencies, with the Company responsible for \$201.5 million. AMPCO estimates that an additional \$32 million will be incurred to complete various supporting facilities to finalize the project. The Company will be responsible for \$16 million in 2002. During 2001, the Company recorded costs of \$49 million toward the project.

During 2001, \$765 million was spent on acquisition, exploration and development projects, \$49 million on the methanol project and \$47 million on the Machala power project in Ecuador for total expenditures of \$861 million. The 2002 exploration and development budget is approximately \$520 million, including \$20 million on the Machala power project.

During the fourth quarter of 2001, the Company acquired all of Aspect Energy's interests in 110 wells located along the Texas and Louisiana Gulf Coast. Current production is approximately 1,900 BBLS of oil per day and 57 MMCF of gas per

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day. We acquired approximately 59 BCFe of reserves along with working capital and hedging positions. Also acquired was a 50 percent interest in Aspect's future drilling prospects in this region. As part of the transaction, the Company paid \$107 million in cash, issued \$14 million of common stock previously held in treasury and assumed a \$40 million note payable.

The Company's current ratio (current assets divided by current liabilities) was .92:1 at December 31, 2001, compared with .83:1 at December 31, 2000. The increase in the current ratio was primarily due to an increase in cash and short-term investments along with a \$43.5 million increase in other current assets primarily composed of various prepaid foreign income taxes, value added taxes and miscellaneous receivables. The Company's cash and short-term investments increased from \$23.2 million at December 31, 2000, to \$73.2 million at December 31, 2001.

FINANCING

The Company's total long-term debt, net of unamortized discount, at December 31, 2001, was \$837 million compared to \$525 million at December 31, 2000. The ratio of debt to book capital (defined as the Company's debt plus its equity) was 45 percent at December 31, 2001, compared with 38 percent at December 31, 2000.

The Company's long-term debt, net of current portion, is comprised of: \$100 million of 7 1/4% Notes Due 2023, \$250 million of 8% Senior Notes Due 2027, \$100 million of 7 1/4% Senior Debentures Due 2097, \$11 million on the note obtained in the acquisition and the outstanding balance of \$380 million on a \$400 million five-year credit facility. Payments of \$11 million on the note obtained in the acquisition will be made as follows: 2003, \$4 million and 2004, \$7 million. The \$380 million due on the credit facility that matures November 30, 2006 is the only other amount due on long-term debt during the next five years. There are no scheduled payments prior to maturity. In addition, \$19.5 million of the current installment of long-term debt obtained in the acquisition will be repaid during 2002.

The Company had a \$300 million credit agreement that exposed the Company to the risk of earnings or cash flow loss due to changes in market interest rates. The interest rate was based upon a Eurodollar rate plus a range of 17.5 to 50 basis points. There was an outstanding balance of \$250 million on this credit agreement which was repaid on November 30, 2001. At year-end 2000, the Company had \$80 million outstanding on this credit facility. For more information, see "Item 8. Financial Statements and Supplementary Data--Note 3 - Debt" of this Form 10-K.

The Company entered into a new \$400 million five-year credit agreement on November 30, 2001 with certain commercial lending institutions which exposes the Company to the risk of earnings or cash flow loss due to changes in market interest rates. The interest rate is based upon a Eurodollar rate plus a range of 60 to 145 basis points depending upon the percentage of utilization and credit rating. At December 31, 2001, there was \$380 million borrowed against this credit agreement, which has a maturity date of November 30, 2006. For more information, see "Item 8. Financial Statements and Supplementary Data--Note 3 - Debt" of this Form 10-K.

The Company also entered into a new \$200 million 364-day credit agreement on November 30, 2001 with certain commercial lending institutions which exposes the Company to the risk of earnings or cash flow loss due to changes in market interest rates. The interest rate is based upon a Eurodollar rate plus a range of 62.5 to 150 basis points

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depending upon the percentage of utilization and credit rating. At December 31, 2001, there were no amounts outstanding under this credit agreement, which has a maturity date of November 27, 2002 for the revolving commitment and a maturity date of November 27, 2003 for the term commitment which includes any balance remaining after the revolving commitment matures. For more information, see "Item 8. Financial Statements and Supplementary Data--Note 3 - Debt" of this Form 10-K.

The Company had a \$25 million short-term note payable outstanding December 31, 2001, which was repaid January 28, 2002. The note was an uncommitted facility with an interest rate of 3.25 percent for the period December 28, 2001 to January 28, 2002.

On January 2, 2002, the Company's partner in AMCCO directed AMCCO to sell 50 percent of its interest in AMPCO as a component of the partner's sale of all of its Equatorial Guinea assets. The proceeds of the AMPCO sale were used to repay in full AMCCO's \$125 million Series A-1 Notes on January 28, 2002 and to make a distribution to the Company's partner. Since the Company's partner in AMCCO no longer retains an economic interest in AMPCO, the Company will consolidate the results of AMCCO, thereby including the \$125 million Series A-2 Notes in the Company's balance sheet. The terms of the \$125 million Series A-2 Notes remain unchanged.

OTHER

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

The Company's Board of Directors, in February 2000, authorized a repurchase of up to \$50 million in the Company's common stock. Under the original \$50 million authorization, the Company repurchased approximately \$30 million of common stock in the first quarter of 2000. The 2000 repurchase of 1,386,400 shares at an average cost of \$21.84 per share was funded from the Company's current cash flow. On September 17, 2001 the Company's Board of Directors approved an expansion of the original repurchase program from \$50 million to \$100 million. During the fourth quarter of 2001, the Board approved a stock repurchase forward program. In January 2002, one of the Company's banks purchased \$35 million of the Company's stock or 1,044,454 shares to be settled in early 2003.

The Company has sold a number of non-strategic oil and gas properties over the past three years. Total amounts of oil and gas reserves associated with the 2000 and 1999 dispositions were 1.2 MMBBLS of oil and 4.8 BCF of gas and 5.1 MMBBLS of oil and 34.2 BCF of gas, respectively. There were no significant sales of oil or gas properties in 2001. The Company believes the disposition of non-strategic properties furthers the goal of concentrating its efforts on strategic properties.

The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," in June 1998. The Statement established accounting and reporting standards requiring every derivative instrument (including certain derivative instruments embedded in other contracts) to be recorded in the balance sheet as either an asset or liability measured at its fair value. The Statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met wherein gains and losses are reflected in shareholders' equity as other comprehensive income until the hedged item is recognized. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company formally document, designate and assess the effectiveness of transactions that receive hedge accounting.

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The Company adopted SFAS No. 133 effective January 1, 2001. The adoption of this statement did not have a material impact on the Company's results of operations or financial position.

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RESULTS OF OPERATIONS

NET INCOME AND REVENUES

The Company's net income for 2001 was \$133.6 million, a decrease of \$58 million from 2000. The decrease was due primarily to a \$61.2 million increase in dry hole expense, offset by a \$3.8 million decrease in abandoned asset expense. The increase in net income for 2000 compared to 1999, is primarily due to significantly higher oil and gas prices, 50 percent and 69 percent, respectively, received during 2000.

NATURAL GAS INFORMATION

Natural gas revenues increased eight percent in 2001, due to a four percent increase in average daily production coupled with a five percent increase in the average price. Gas production increased primarily due to the Aspect acquisition in the fourth quarter of 2001 coupled with the startup of the methanol plant in Equatorial Guinea. Natural gas accounted for 71 percent of the Company's total gas and oil revenues in 2001. Gas sales for 2000 increased 53 percent, due primarily to a 69 percent increase in average gas price offset by an 11 percent decrease in the average daily gas production compared to 1999. The table below depicts daily natural gas production in MMCF by area for the last three years.

	2001	2000	1999
Offshore	264.8	291.3	304.9
Onshore	113.6	86.9	116.9
INTERNATIONAL	44.0	28.1	33.3
TOTAL	422.4	406.3	455.1

Natural gas production during 2001 ranged from a low of 372.0 MMCF per day in October, to a high of 437.7 MMCF per day in May.

2001 DAILY PRODUCTION BY QUARTER

[CHART OF 2001 DAILY PRODUCTION BY QUARTER]

[CHART OF 2001 DAILY PRODUCTION BY QUARTER]

CRUDE OIL INFORMATION

Crude oil revenues increased eight percent during 2001, due to a 19 percent increase in average daily production. The increase in average daily production for the Company's oil offset a decline of nine percent in the average price received for 2001. Crude oil accounted for 29 percent of the Company's total oil and gas revenues in 2001. Oil sales increased 28 percent and average daily production decreased 14 percent in 2000, compared to 1999.

The table below depicts daily oil production in BBLs by area for the last three years.

	2001	2000	1999
Offshore	11,393	12,077	13,501
Onshore	7,219	6,942	9,901
International	12,049	6,786	6,601
Total	30,661	25,805	30,003

Crude oil production during 2001 ranged from a low of 27,858 BBLs per day in February, to a high of 35,105 BBLs per day in December.

HEDGING ACTIVITY

The Company, through its subsidiaries, from time to time, uses various hedging arrangements in connection with anticipated crude oil and natural gas sales to minimize the impact of product price fluctuations. Such arrangements include fixed price hedges, costless collars and other contractual arrangements. Although these hedging arrangements expose the Company to credit risk, the Company monitors the creditworthiness of its counterparties, which generally are major financial institutions, and believes that losses from nonperformance are unlikely to occur. Hedging gains and losses related to the Company's oil and gas production are recorded in oil and gas sales and royalties. For more information, see "Item 7a. Quantitative and Qualitative Disclosures About Market Risk" of this Form 10-K.

COSTS AND EXPENSES

Oil and gas operations expense, consisting of lease operating expense, workover expenses, production taxes and other related lifting costs increased 10 percent in 2001 from 2000, due to higher daily production volumes and increased four percent in 2000 from 1999. Included in operations expense were workover costs of \$15.1 million, \$21.1 million and \$5.7 million for 2001, 2000 and 1999, respectively. The workovers, which enhanced production during 2001 and 2000, increased operations expense by \$.07 and \$.10 per MCFe, respectively. Workover costs for 1999 were held to a minimum due to low product prices.

[CHART OF OPERATING EXPENSES]

[CHART OF DD&A EXPENSES]

In 2001, depreciation, depletion and amortization ("DD&A") expense increased 23 percent, compared to 2000. The unit rate of DD&A per BOE was \$7.70 in 2001, compared to \$6.75 in 2000. The increase in the unit rate per BOE is due primarily to increased development costs incurred in the Gulf of Mexico to stabilize the Company's oil and gas production volumes, which are being amortized in the current and subsequent periods.

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

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through charging DD&A expense using a ratio of production divided by reserves multiplied by the estimated costs to dismantle and restore. The

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Company's accumulated provision for future dismantlement and restoration cost was \$80.0 million at December 31, 2001, \$79.7 million at December 31, 2000 and \$83.0 million at December 31, 1999. Total estimated future dismantlement and restoration costs of \$168.2 million are included in future production and development costs for purposes of estimating the future net revenues relating to the Company's proved reserves.

Oil and gas exploration expense consists of dry hole expense, undeveloped lease amortization, abandoned assets, seismic and other miscellaneous exploration expense. The table below depicts the exploration expense for the last three years.

(IN THOUSANDS)	2001	2000	1999
Dry hole expense	\$ 99,684	\$ 38,463	\$ 19,204
Undeveloped lease amortization	17,213	16,075	9,645
Abandoned assets	(415)	3,375	2,483
Seismic	15,607	18,738	7,797
Other	19,592	11,592	7,655
Total Exploration Expense	\$ 151,681	\$ 88,243	\$ 46,784

IMPAIRMENT OF OPERATING ASSETS

Developed oil and gas properties and other long-lived assets are periodically assessed to determine if circumstances indicate that the carrying amount of an asset may not be recoverable. The Company performs this review of recoverability by estimating future cash flows. If the sum of the expected future cash flows is less than the carrying amount of the asset, an impairment is recognized based on the discounted amount of such cash flows. The Company recorded no operating asset impairments during 2001, 2000 or 1999. Individually significant undeveloped oil and gas properties are periodically assessed for impairment of value and a loss is recognized at the time of impairment by providing an impairment allowance.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES ("SG&A")

SG&A expenses decreased \$3.1 million in 2001 compared to 2000 and \$.6 million in 2000 compared to 1999. The decreases reflect the Company's effort to reduce SG&A through efficiencies and other cost reduction measures.

GATHERING, MARKETING AND PROCESSING

NGM markets the majority of the Company's natural gas, as well as certain third-party gas. NGM sells gas directly to end-users, gas marketers, industrial users, interstate and intrastate pipelines, and local distribution companies. NTI markets a portion of the Company's oil, as well as certain third-party oil. The Company records all of NGM's and NTI's sales and expenses as gathering, marketing and processing revenues and expenses. All intercompany sales and expenses have been eliminated in the Company's consolidated financial statements.

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The gathering, marketing and processing revenues less expenses for both NGM and NTI are reflected in the table below.

(IN THOUSANDS)	2001		2000		
(AMOUNTS INCLUDE INTER-COMPANY ELIMINATIONS)	NTI	NGM	NTI	NGM	
Revenues	\$ 75,550	\$ 645,400	\$ 91,204	\$ 498,729	\$ 62
Expenses					
Cost of goods sold	49,191	607,170	63,005	464,600	35
Transportation	19,739	27,779	19,455	24,014	19
General and administrative	199	3,176	190	3,002	
Total Expenses	\$ 69,129	\$ 638,125	\$ 82,650	\$ 491,616	\$ 55
Gross Margin	\$ 6,421	\$ 7,275	\$ 8,554	\$ 7,113	\$ 7

The margins for NGM on a per MMBTU basis were \$.035 for 2001, \$.027 for 2000 and \$.026 for 1999. The increase in NGM's margin on a per MMBTU basis for 2001 compared to 2000, and 2000 compared to 1999, was due primarily to the improvement in gas prices. The margins for NTI on a per BBL basis were \$.95 for 2001, \$1.28 for

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2000 and \$.87 for 1999. The decrease in NTI's margin for 2001 compared to 2000 was due primarily to lower crude oil prices. The increase in the 2000 margin compared to 1999 was due to improved crude oil prices coupled with lower transportation costs.

FUTURE TRENDS

The Company expects oil and gas production to increase in 2002 and 2003 compared to 2001. The increase in 2002 will be due primarily to a full year of production from the expansion of the Alba field in Equatorial Guinea and the Hanze field in the North Sea. The increase in 2003 will be due primarily to a full year of production in China and Ecuador.

The Company recently set its 2002 exploration and development budget at approximately \$520 million. Such expenditures are planned to be funded through internally generated cash flows. The Company believes that it has the capital structure to take advantage of strategic acquisitions, as they become available, through internally generated cash flows or borrowings.

On January 2, 2002, the Company's partner in AMCCO directed AMCCO to sell 50 percent of its interest in AMPCO as a component of the partner's sale of all of its Equatorial Guinea assets. The proceeds of the AMPCO sale were used to repay in full AMCCO's \$125 million Series A-1 Notes on January 28, 2002 and to make a distribution to the Company's partner. Since the Company's partner in AMCCO no longer retains an economic interest in AMPCO, the Company will consolidate the results of AMCCO, thereby including the \$125 million Series A-2 Notes in the Company's balance sheet. The terms of the \$125 million Series A-2 Notes remain unchanged.

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The Company's total long-term debt at December 31, 2001 was \$837 million and the ratio of debt to book capital (defined as the Company's debt plus its equity) was 45 percent. If the \$125 million off balance sheet financing were included, the long-term debt would be \$962 million with a ratio of debt to book capital of 48 percent.

Management believes that the Company is well positioned with its balanced reserves of oil and gas and downstream projects. The uncertainty of commodity prices continues to affect the oil, gas and methanol industries. The Company cannot predict the extent to which its revenues will be affected by inflation, government regulation or changing prices.

ITEM 7a. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is exposed to market risk in the normal course of its business operations. Management believes that the Company is well positioned with its mix of oil and gas reserves to take advantage of future price increases that may occur. However, the uncertainty of oil and gas prices continues to impact the oil and gas industry. Due to the volatility of oil and gas prices, the Company, from time to time, has used derivative hedging instruments and may do so in the future as a means of controlling its exposure to price changes.

On August 16, 2001, the Company (floating price payor) entered into a total of three natural gas costless collar contracts related to its production. The first contract, for the fourth quarter of 2001, for 50,000 MMBTU of gas per day, had a floor price of \$3.25 per MMBTU and a ceiling price of \$4.60 per MMBTU. The net effect of this fourth quarter 2001 hedge was a \$.02 per MCF increase in the average natural gas price for the year 2001. The other two contracts, for calendar year 2002, each for 25,000 MMBTU of gas per day, have a floor price of \$3.25 per MMBTU and ceiling prices ranging from \$5.05 to \$5.10 per MMBTU. These contracts entitle the Company to receive settlement from the counterparty (fixed price payor) on a calendar quarterly basis, in amounts, if any, by which the average settlement price for the last scheduled NYMEX trading day applicable for each month, per calendar quarter, is less than the floor price. The Company would pay the counterparty if the average settlement price for the last scheduled NYMEX trading day applicable for each month, per calendar quarter, is more than the ceiling price. The amount payable by the floating price payor, if the floating price is above the ceiling price, is the product of the notional quantity per calculation period and the excess, if any, of the floating price over the ceiling price in respect of each calendar quarter. The amount payable by the fixed price payor, if the floating price is below the floor price, is the product of the notional quantity per calculation period and the excess, if any, of the floor price over the floating price in respect of each calendar quarter. Of the 50,000 MMBTU per day of costless collars mentioned in this

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paragraph, 25,000 MMBTU per day were terminated and, as a result, the Company will recognize an additional \$.70 per MMBTU on 25,000 MMBTU per day in 2002.

In addition, the Company has entered into a number of costless collar hedges for 2002 and 2003. For the period January to March 2002, the Company has entered into collars for 25,000 MMBTU of natural gas production per day with a floor price of \$2.75 per MMBTU and a ceiling price of \$3.50 per MMBTU. For the period February to March 2002, the Company has entered into collars of 100,000 MMBTU of natural gas production per day with an average floor price of \$2.04 per MMBTU and an average ceiling price of \$2.54 per MMBTU. For the period April to June 2002, the Company has entered into collars for 30,000 MMBTU of natural gas production per day with a floor price of \$2.75 per MMBTU and a ceiling price of \$3.50 per MMBTU. Subsequent to December 31, 2001, the Company entered into collars for April to June 2002, for 50,000 MMBTU of natural gas production per

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day with an average floor price of \$2.00 per MMBTU and an average ceiling price of \$3.09 per MMBTU. The collars for April to June with a floor of \$2.00 per MMBTU have a knockout price of \$1.70 per MMBTU. For the third quarter of 2002, the Company has collars for 35,000 MMBTU of natural gas production per day with a floor price of \$2.75 per MMBTU and a ceiling price of \$3.50 per MMBTU. For the fourth quarter of 2002, the Company has collars for 40,000 MMBTU of natural gas production per day with a floor price of \$3.00 per MMBTU and a ceiling price of \$3.75 per MMBTU.

The Company has collars related to calendar year 2003, for 45,000 MMBTU of natural gas production per day with a floor price of \$3.25 per MMBTU and a ceiling price of \$4.00 per MMBTU.

The Company purchased collars and swaps related to the Aspect transaction that cover the period October 2001 through March 2004 for 6,337 MMBTU of natural gas production per day and 162 BBLs of oil production per day. Based on the cost of these collars and swaps, the Company will realize prices of approximately \$3.20 per MMBTU and \$22.00 per BBL for this time period related to these hedged volumes. The net effect of this fourth quarter 2001 purchased hedge was a \$.01 per MCF increase in the average natural gas price for the year 2001.

The Company adopted SFAS No. 133 effective January 1, 2001. The adoption of this statement did not have a material impact on the Company's results of operations or financial position, as of the date of adoption. At December 31, 2001, the Company recorded oil and gas hedge receivables of \$33.4 million, oil and gas hedge liabilities of \$25.4 million and other comprehensive income, net of tax, of \$5.1 million related to the Company's hedging contracts. The Company estimates that during the next 12 months, \$4.4 million of the \$5.1 million stated above, is expected to be reclassified into earnings.

The Company entered into three crude oil premium swap contracts related to its production for calendar year 2000. Two of the contracts provided for payments based on daily NYMEX settlement prices. These contracts related to 2,500 BBLs per day and 2,000 BBLs per day and had trigger prices of \$21.73 per BBL and \$22.45 per BBL, respectively, and both had knockout prices of \$17.00 per BBL. These two contracts entitled the Company to receive settlements from the counterparties in amounts, if any, by which the settlement price for each NYMEX trading day was less than the trigger price, provided the NYMEX price was also greater than the \$17.00 per BBL knockout price. If a daily settlement price was \$17.00 per BBL or less, then neither party had any liability to the other for that day. If a daily settlement price was above the applicable trigger price, then the Company would owe the counterparty for the excess of the settlement price over the trigger price for that day. Payment was made monthly under each of these contracts, in an amount equal to the net amount due to either party based on the sum of the daily amounts determined as described in this paragraph for that month.

The third contract related to 2,500 BBLs per day and provided for payments based on monthly average NYMEX settlement prices. The contract entitled the Company to receive monthly settlements from the counterparty in an amount, if any, by which the arithmetic average of the daily NYMEX settlement prices for the month was less than the trigger price, which was \$21.73 per BBL, multiplied by the number of days in the month, provided such average NYMEX price was also greater than the \$17.00 per BBL knockout price. If the average NYMEX settlement price for the month was \$17.00 per BBL or less, then neither party would have any liability to the other for that month. If the average NYMEX settlement price for the month was above the trigger price, then the Company would pay the

counterparty an amount equal to the excess of the average settlement price over

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the trigger price, multiplied by the number of days in the month.

The net effect of these premium swap contracts was a \$2.87 per BBL reduction in the average crude oil price realized by the Company in 2000.

The Company has treated the swap component of these contracts as a hedge (for accounting purposes only), at swap prices ranging from \$19.40 per BBL to \$20.20 per BBL, which existed at the dates it entered into these contracts. In addition, the Company has separately accounted for the premium component of these contracts by marking them to market, resulting in a gain of \$2,921,000 recorded in other income for the year ended December 31, 2000.

In addition to the premium swap crude oil hedging contracts, the Company entered into crude oil costless collar hedges from January 1, 2000 to April 30, 2000 for volumes of 2,000 BBLs per day. These costless collars had a floor price ranging from \$21.53 per BBL to \$23.27 per BBL and a cap price ranging from \$25.83 per BBL to \$27.31 per BBL. These costless collar contracts entitled the Company to receive settlements from the counterparties in amounts, if any, by which the monthly average settlement price for each NYMEX trading day during a contract month was less than the floor price. If the monthly average settlement price was above the applicable cap price, then the Company would owe the counterparties for the excess of the monthly average settlement price over the applicable cap price. If the monthly average settlement price fell between the applicable floor and cap price, then neither party would have any liability to the other party for that month. Payment, if any, was made monthly under each of the contracts in an amount equal to the net amount due either party based on the volumes per day multiplied by the difference between the NYMEX average price and the cap, if the NYMEX average price exceeded the cap price, or if the NYMEX average price was less than the floor price, then the volumes per day multiplied by the difference between the floor price and the NYMEX average price.

The net effect of these costless collar hedges was a \$.05 per BBL reduction in the average crude oil price realized by the Company in 2000.

During 1999, the Company had no oil or gas hedging transactions for its production.

NGM, from time to time, employs hedging arrangements in connection with its purchases and sales of production. While most of NGM's purchases are made for an index-based price, NGM's customers often require prices that are either fixed or related to NYMEX. In order to establish a fixed margin and mitigate the risk of price volatility, NGM may convert a fixed or NYMEX sale to an index-based sales price (such as by purchasing an index-based futures contract obligating NGM for delivery of production). Due to the size of such transactions and certain restraints imposed by contract and by Company guidelines, as of December 31, 2001, the Company had no material market risk exposure from NGM's hedging activity.

The Company has a \$400 million credit agreement that exposes the Company to the risk of earnings or cash flow loss due to changes in market interest rates. The interest rate is based upon a Eurodollar rate plus a range of 60 to 145 basis points depending upon the percentage of utilization and credit rating. At December 31, 2001, there was \$380 million borrowed against this credit agreement, which has a maturity date of November 30, 2006. All other Company long-term debt is fixed-rate and, therefore, does not expose the Company to the risk of earnings or cash flow loss due to changes in market interest rates. For more information, see "Item 8. Financial Statements and Supplementary Data--Note 3 - Debt" of this Form 10-K.

The Company does not invest in foreign currency derivatives. The U.S. dollar is considered the primary currency for each of the Company's international operations. Transactions that are completed in a foreign currency are translated

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into U.S. dollars and recorded in the financial statements. Translation gains or losses were not material in any of the periods presented and the Company does not believe it is currently exposed to any material risk of loss on this basis. Such gains or losses are included in other expense on the income statement. However, certain sales transactions are concluded in foreign currencies and the Company, therefore, is exposed to potential risk of loss based on fluctuation in exchange rates from time to time.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Public Accountants.....

Consolidated Balance Sheet as of December 31, 2001 and 2000.....

Consolidated Statement of Operations for each of the three years in the period ended December 31, 2001.....

Consolidated Statement of Cash Flows for each of the three years in the period ended December 31, 2001.....

Consolidated Statement of Shareholders' Equity and Other Comprehensive Income for each of the three years in the period ended December 31, 2001.....

Notes to Consolidated Financial Statements.....

Supplemental Oil and Gas Information (Unaudited).....

Interim Financial Information (Unaudited).....

All other financial statement schedules have been omitted because the required information is not present or is not present in amounts sufficient to require submission of the schedule or because the information required is included in the financial statements, including the notes thereto.

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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, 2001 and 2000, and the related consolidated statements of operations, shareholders' equity and other comprehensive income and cash flows for each of the three years in the period ended December 31, 2001. 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 auditing standards generally accepted in the United States. 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,

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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, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Oklahoma City, Oklahoma
January 24, 2002

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CONSOLIDATED BALANCE SHEET
NOBLE AFFILIATES, INC. AND SUBSIDIARIES

(IN THOUSANDS, EXCEPT SHARE AMOUNTS)

ASSETS

CURRENT ASSETS:

Cash and short-term investments
Accounts receivable - trade
Oil and gas hedges receivable
Materials and supplies inventories
Other current assets

Total current assets

PROPERTY, PLANT AND EQUIPMENT, AT COST:

Oil and gas mineral interests, equipment and facilities
(successful efforts method of accounting)
Other

Accumulated depreciation, depletion and amortization

Total property, plant and equipment, net

INVESTMENT IN UNCONSOLIDATED SUBSIDIARY

OTHER ASSETS

TOTAL ASSETS

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

Accounts payable - trade
Short-term note payable

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Current installments of long-term debt
 Oil and gas hedges payable
 Other current liabilities
 Income taxes - current

 Total current liabilities

DEFERRED INCOME TAXES

 OTHER DEFERRED CREDITS AND NONCURRENT LIABILITIES

LONG-TERM DEPT

 SHAREHOLDERS' EQUITY:

Preferred stock \$1.00; 4,000,000 shares authorized, none issued
 Common stock - par value \$3.33 1/3; 100,000,000 shares authorized;
 59,511,323 and 59,002,162 shares issued in 2001 and 2000, respectively
 Capital in excess of par value
 Accumulated other comprehensive income
 Retained earnings

 Less common stock in treasury at cost
 (December 31, 2001, 2,505,522 shares and
 December 31, 2000, 2,911,300 shares)

 Total shareholders' equity

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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CONSOLIDATED STATEMENT OF OPERATIONS
 NOBLE AFFILIATES, INC. AND SUBSIDIARIES

 (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

2001

 REVENUES:

Oil and gas sales and royalties	\$ 855,800
Gathering, marketing and processing	721,000
Other income	538
Income (loss) from investment in unconsolidated subsidiary	(5,075)

 Total Revenue 1,572,263

COSTS AND EXPENSES:

Oil and gas exploration	151,681
Oil and gas operations	133,549
Gathering, marketing and processing	708,292
Depreciation, depletion and amortization	284,016
Selling, general and administrative	44,164
Interest	41,904

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Interest capitalized	(15,953)
Total Expenses	1,347,653
INCOME BEFORE TAXES	224,610
INCOME TAX PROVISION:	
Current	31,595
Deferred	59,440
Total Tax Provision	91,035
NET INCOME	\$ 133,575
BASIC EARNINGS PER SHARE	\$ 2.36
DILUTED EARNINGS PER SHARE	\$ 2.33
WEIGHTED AVERAGE SHARES OUTSTANDING:	
Basic	56,549
Diluted	57,303

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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

(IN THOUSANDS)	2001
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 133,575
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation, depletion and amortization	284,016
Dry hole	99,684
Amortization of undeveloped leasehold costs, net	17,213
(Gain) loss on disposal of assets	(2,098)
Noncurrent deferred income taxes	59,212
(Income) loss from unconsolidated subsidiary	5,075
Increase (decrease) in other deferred credits	13,990
(Increase) decrease in other	(2,224)
Changes in working capital, not including cash:	
(Increase) decrease in accounts receivable	57,973
(Increase) decrease in other current assets	(64,951)
Increase (decrease) in accounts payable	(17,960)
Increase (decrease) in other current liabilities	52,267
NET CASH PROVIDED BY OPERATING ACTIVITIES	635,772
CASH FLOWS FROM INVESTING ACTIVITIES:	
Capital expenditures	(738,706)
Investment in unconsolidated subsidiary	(48,651)

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Proceeds from the transfer of our interest to unconsolidated subsidiary	
Proceeds from sale of property, plant and equipment	1,434
Aspect acquisition	(107,078)
Cash obtained in acquisition	9,286
<hr/>	
NET CASH USED IN INVESTING ACTIVITIES	(883,715)
<hr/>	
CASH FLOWS FROM FINANCING ACTIVITIES:	
Exercise of stock options	16,675
Cash dividends paid	(9,042)
Proceeds from bank debt	675,000
Repayment of bank debt	(375,000)
Repayment of notes payable - unconsolidated subsidiary	
Proceeds from notes payable - unconsolidated subsidiary	
Repayment of note payable obtained in acquisition	(9,605)
Purchase of treasury stock	
<hr/>	
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	298,028
<hr/>	
INCREASE (DECREASE) IN CASH AND SHORT-TERM CASH INVESTMENTS	50,085
CASH AND SHORT-TERM CASH INVESTMENTS AT BEGINNING OF YEAR	23,152
<hr/>	
CASH AND SHORT-TERM CASH INVESTMENTS AT END OF YEAR	\$ 73,237
<hr/>	
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Cash paid during the year for:	
Interest (net of amount capitalized)	\$ 26,590
Income taxes	\$ 66,131
Non-cash financing and investing activities:	
Issuance of treasury stock for acquisition	\$ 14,238
Debt assumed in acquisition	\$ 40,043

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY AND
OTHER COMPREHENSIVE INCOME
NOBLE AFFILIATES, INC. AND SUBSIDIARIES

(IN THOUSANDS)	OTHER COMPREHENSIVE INCOME	COMMON STOCK	CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS	ACCUMULA OT COMPREHENS INC
DECEMBER 31, 1998		\$ 195,018	\$ 360,008	\$ 102,472	
Net Income				49,461	
Exercise of stock options		213	975		
Cash dividends (\$.16 per share)				(9,120)	
DECEMBER 31, 1999		\$ 195,231	\$ 360,983	\$ 142,813	
Net Income				191,597	

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Purchase of treasury stock				
Exercise of stock options		1,441	12,276	
Cash dividends (\$.16 per share)				(8,958)
DECEMBER 31, 2000		\$ 196,672	\$ 373,259	\$ 325,452
Net Income	\$ 133,575			133,575
Hedge derivatives marked to market	5,070			5,
Treasury stock issued for acquisition			7,867	
Exercise of stock options		1,697	14,978	
Cash dividends (\$.16 per share)				(9,042)
Total	\$ 138,645			
DECEMBER 31, 2001		\$ 198,369	\$ 396,104	\$ 449,985 \$ 5,

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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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: Noble Gas Marketing, Inc. ("NGM"); Noble Trading, Inc. ("NTI"); NPM, Inc.; and Samedan Oil Corporation ("Samedan"). Effective December 31, 2001, Energy Development Corporation, a previously wholly-owned subsidiary of Samedan, was merged into Samedan. Listed below are consolidated entities at December 31, 2001.

NOBLE AFFILIATES, INC.
 LaTex Resources Inc.
 Noble Gas Marketing, Inc.
 Noble Gas Pipeline, Inc.
 Noble Trading, Inc.
 NPM, Inc.
 Samedan Oil Corporation
 Samedan North Sea, Inc.
 Samedan of North Africa, Inc.
 EDC Ireland
 Samedan International
 Machalapower Cia. Ltda.
 Samedan, Mediterranean Sea
 Samedan Transfer Sub
 Samedan Vietnam Limited
 Samedan, Mediterranean Sea, Inc.
 Samedan of Tunisia, Inc.
 Samedan Oil of Canada, Inc.
 Samedan Oil of Indonesia, Inc.
 Samedan Pipe Line Corporation

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Samedan Royalty Corporation
EDC Australia, Ltd.
EDC Ecuador Ltd.
 EDC Ecuador Limited
EDC Portugal Ltd.
EDC (UK) Limited
 EDC (Denmark) Inc.
 EDC (Europe) Limited
 EDC (ISE) Limited
 EDC (Oilex) Limited
 Brabant Oil Limited
Energy Development Corporation (Argentina), Inc.
Energy Development Corporation (China), Inc.
Energy Development Corporation (HIPS), Inc.
Gasdel Pipeline System Incorporated
HGC, Inc.
Producers Service, Inc.

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NATURE OF OPERATIONS

The Company is an independent energy company engaged through its subsidiaries in the exploration, development, production and marketing of oil and gas. Samedan operates throughout the major basins in the United States, including the Gulf of Mexico, as well as international operations in Argentina, China, Ecuador, Equatorial Guinea, the Mediterranean Sea, the North Sea and Vietnam. The Company markets its oil and gas production through NGM, NTI and Samedan.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Such estimates and assumptions also affect the disclosure of contingent assets and liabilities at the date of the financial statements as well as amounts of revenues and expenses recognized during the reporting period. Of the estimates and assumptions that affect reported results, the estimate of the Company's oil and gas reserves is the most significant.

FOREIGN CURRENCY TRANSLATION

The U.S. dollar is considered the primary currency for each of the Company's international operations. Transactions that are completed in a foreign currency are translated into U.S. dollars and recorded in the financial statements. Translation gains or losses were not material in any of the periods presented and are included in other expense on the income statement.

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 its 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

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unit-of-production method based on proved developed oil and gas reserves on a property-by-property basis as estimated by Company engineers. Estimated future restoration and abandonment costs are recorded by charges to depreciation, depletion and amortization ("DD&A") expense over the productive lives of the related properties. The Company has provided \$80.0 million for such future costs classified with accumulated DD&A in the December 31, 2001 balance sheet. The total estimated future dismantlement and restoration costs of \$168.2 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.

Individually significant undeveloped oil and gas properties 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.

Developed oil and gas properties and other long-lived assets are periodically assessed to determine if circumstances indicate that the carrying amount of an asset may not be recoverable. The Company performs this review of recoverability by estimating future cash flows. If the sum of the expected future cash flows is less than the carrying amount of the asset, an impairment is recognized based on the discounted amount of such cash flows.

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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.

CAPITALIZATION OF INTEREST

The Company capitalizes interest costs associated with the development and construction of significant properties or projects.

STATEMENT OF CASH FLOWS

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

BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

Basic income per share of common stock has been computed on the basis of the weighted average number of shares outstanding during each period. The diluted net income per share of common stock includes the effect of outstanding stock options. The following table summarizes the calculation of basic earnings per share ("EPS") and diluted EPS components as of December 31:

	2001		2000		
(IN THOUSANDS)	INCOME	SHARES	INCOME	SHARES	IN

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EXCEPT PER SHARE AMOUNTS)	(NUMERATOR)	(DENOMINATOR)	(NUMERATOR)	(DENOMINATOR)	(NUMERA
Net income/shares	\$133,575	56,549	\$191,597	55,999	\$49
BASIC EPS		\$2.36		\$3.42	
Net income/shares	\$133,575	56,549	\$191,597	55,999	\$49
Effect of Dilutive Securities					
Stock options		754		756	
Adjusted net income and shares	\$133,575	57,303	\$191,597	56,755	\$49
DILUTED EPS		\$2.33		\$3.38	

REVENUE RECOGNITION AND GAS IMBALANCES

Samedan has gas sales contracts 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 the amount paid to Samedan and third parties as cost of sales in gathering, marketing and processing. All intercompany 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 \$15.5 million and \$14.2 million for 2001 and 2000, 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 \$20.9 million and \$18.5 million for 2001 and 2000, 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, through its subsidiaries, from time to time, uses various hedging arrangements in connection with anticipated crude oil and natural gas sales to minimize the impact of product price fluctuations. Such arrangements include fixed price hedges, costless collars, and other contractual arrangements. Although these hedging arrangements expose the Company to credit risk, the Company monitors the creditworthiness of its counterparties, which generally are major financial institutions, and believes that losses from nonperformance are unlikely to occur. Hedging gains and losses related to the Company's oil and gas production are recorded in oil and gas sales and royalties.

On August 16, 2001, the Company (floating price payor) entered into a total of

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three natural gas costless collar contracts related to its production. The first contract, for the fourth quarter of 2001, for 50,000 MMBTU of gas per day, had a floor price of \$3.25 per MMBTU and a ceiling price of \$4.60 per MMBTU. The net effect of this fourth quarter 2001 hedge was a \$.02 per MCF increase in the average natural gas price for the year 2001. The other two contracts, for calendar year 2002, each for 25,000 MMBTU of gas per day, have a floor price of \$3.25 per MMBTU and ceiling prices ranging from \$5.05 to \$5.10 per MMBTU. These contracts entitle the Company to receive settlement from the counterparty (fixed price payor) on a calendar quarterly basis, in amounts, if any, by which the average settlement price for the last scheduled NYMEX trading day applicable for each month, per calendar quarter, is less than the floor price. The Company would pay the counterparty if the average settlement price for the last scheduled NYMEX trading day applicable for each month, per calendar quarter, is more than the ceiling price. The amount payable by the floating price payor, if the floating price is above the ceiling price, is the product of the notional quantity per calculation period and the excess, if any, of the floating price over the ceiling price in respect of each calendar quarter. The amount payable by the fixed price payor, if the floating price is below the floor price, is the product of the notional quantity per calculation period and the excess, if any, of the floor price over the floating price in respect of each calendar quarter. Of the 50,000 MMBTU per day of costless collars mentioned in this paragraph, 25,000 MMBTU per day were terminated and, as a result, the Company will recognize an additional \$.70 per MMBTU on 25,000 MMBTU per day in 2002.

In addition, the Company has entered into a number of costless collar hedges for 2002 and 2003. For the period January to March 2002, the Company has entered into collars for 25,000 MMBTU of natural gas production per day with a floor price of \$2.75 per MMBTU and a ceiling price of \$3.50 per MMBTU. For the period February to March 2002, the Company has entered into collars of 100,000 MMBTU of natural gas production per day with an average floor price of \$2.04 per MMBTU and an average ceiling price of \$2.54 per MMBTU. For the period April to June 2002, the Company has entered into collars for 30,000 MMBTU of natural gas production per day with a floor price of \$2.75 per MMBTU and a ceiling price of \$3.50 per MMBTU. Subsequent to December 31, 2001, the Company entered into collars for April to June 2002, for 50,000 MMBTU of natural gas production per day with an average floor price of \$2.00 per MMBTU and an average ceiling price of \$3.09 per MMBTU. The collars for April to June with a floor of \$2.00 per MMBTU have a knockout price of \$1.70 per MMBTU. For the third quarter of 2002, the Company has collars for 35,000 MMBTU of natural gas production per day with a floor price of \$2.75 per MMBTU and a ceiling price of \$3.50 per MMBTU. For the fourth quarter of 2002, the Company has collars for 40,000 MMBTU of natural gas production per day with a floor price of \$3.00 per MMBTU and a ceiling price of \$3.75 per MMBTU.

The Company has collars related to calendar year 2003, for 45,000 MMBTU of natural gas production per day with a floor price of \$3.25 per MMBTU and a ceiling price of \$4.00 per MMBTU.

The Company purchased collars and swaps related to the Aspect transaction that cover the period October 2001 through March 2004 for 6,337 MMBTU of natural gas production per day and 162 BBLs of oil production per day.

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Based on the cost of these collars and swaps, the Company will realize prices of approximately \$3.20 per MMBTU and \$22.00 per BBL for this time period related to these hedged volumes. The net effect of this fourth quarter 2001 purchased hedge was a \$.01 per MCF increase in the average natural gas price for the year 2001.

The Company adopted SFAS No. 133 effective January 1, 2001. The adoption of this statement did not have a material impact on the Company's results of operations

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or financial position, as of the date of adoption. At December 31, 2001, the Company recorded oil and gas hedge receivables of \$33.4 million, oil and gas hedge liabilities of \$25.4 million and other comprehensive income, net of tax, of \$5.1 million related to the Company's hedging contracts. The Company estimates that during the next 12 months, \$4.4 million of the \$5.1 million stated above, is expected to be reclassified into earnings.

The Company entered into three crude oil premium swap contracts related to its production for calendar year 2000. Two of the contracts provided for payments based on daily NYMEX settlement prices. These contracts related to 2,500 BBLs per day and 2,000 BBLs per day and had trigger prices of \$21.73 per BBL and \$22.45 per BBL, respectively, and both had knockout prices of \$17.00 per BBL. These two contracts entitled the Company to receive settlements from the counterparties in amounts, if any, by which the settlement price for each NYMEX trading day was less than the trigger price, provided the NYMEX price was also greater than the \$17.00 per BBL knockout price. If a daily settlement price was \$17.00 per BBL or less, then neither party had any liability to the other for that day. If a daily settlement price was above the applicable trigger price, then the Company would owe the counterparty for the excess of the settlement price over the trigger price for that day. Payment was made monthly under each of these contracts, in an amount equal to the net amount due to either party based on the sum of the daily amounts determined as described in this paragraph for that month.

The third contract related to 2,500 BBLs per day and provided for payments based on monthly average NYMEX settlement prices. The contract entitled the Company to receive monthly settlements from the counterparty in an amount, if any, by which the arithmetic average of the daily NYMEX settlement prices for the month was less than the trigger price, which was \$21.73 per BBL, multiplied by the number of days in the month, provided such average NYMEX price was also greater than the \$17.00 per BBL knockout price. If the average NYMEX settlement price for the month was \$17.00 per BBL or less, then neither party would have any liability to the other for that month. If the average NYMEX settlement price for the month was above the trigger price, then the Company would pay the counterparty an amount equal to the excess of the average settlement price over the trigger price, multiplied by the number of days in the month.

The net effect of these premium swap contracts was a \$2.87 per BBL reduction in the average crude oil price realized by the Company in 2000.

The Company has treated the swap component of these contracts as a hedge (for accounting purposes only), at swap prices ranging from \$19.40 per BBL to \$20.20 per BBL, which existed at the dates it entered into these contracts. In addition, the Company has separately accounted for the premium component of these contracts by marking them to market, resulting in a gain of \$2,921,000 recorded in other income for the year ended December 31, 2000.

In addition to the premium swap crude oil hedging contracts, the Company entered into crude oil costless collar hedges from January 1, 2000 to April 30, 2000 for volumes of 2,000 BBLs per day. These costless collars had a floor price ranging from \$21.53 per BBL to \$23.27 per BBL and a cap price ranging from \$25.83 per BBL to \$27.31 per BBL. These costless collar contracts entitled the Company to receive settlements from the counterparties in amounts, if any, by which the monthly average settlement price for each NYMEX trading day during a contract month was less than the floor price. If the monthly average settlement price was above the applicable cap price, then the Company would owe the counterparties for the excess of the monthly average settlement price over the applicable cap price. If the monthly average settlement price fell between the applicable floor and cap price, then neither party would have any liability to the other party for that month. Payment, if any, was made monthly under each of the contracts in an amount equal to the net amount due either party based on the volumes per day multiplied by the difference between the NYMEX average price and the cap, if the

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NYMEX average price exceeded the cap price, or if the NYMEX

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average price was less than the floor price, then the volumes per day multiplied by the difference between the floor price and the NYMEX average price.

The net effect of these costless collar hedges was a \$.05 per BBL reduction in the average crude oil price realized by the Company in 2000.

During 1999, the Company had no oil or gas hedging transactions for its production.

In addition to the hedging arrangements pertaining to the Company's production as described above, NGM employs various hedging arrangements in connection with its purchases and sales of third party production to lock in profits or limit exposure to gas price risk. Most of the purchases made by NGM are on an index basis; however, purchasers in the markets in which NGM sells 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 2001, NGM had hedging transactions with broker-dealers that ranged from 1,157,000 MMBTU to 1,388,000 MMBTU of gas per day. At December 31, 2001, NGM had in place hedges ranging from approximately 20,000 MMBTU to 1,439,000 MMBTU of gas per day for January 2002 to May 2006 for future physical transactions.

In 2000, NGM had hedging transactions with broker-dealers that ranged from 423,000 MMBTU to 1,023,000 MMBTU of gas per day. During 1999, NGM had hedging transactions with broker-dealers that ranged from 146,000 MMBTU to 815,000 MMBTU of gas per day. NGM records hedging gains or losses relating to fixed term sales as gathering, marketing and processing revenues in the periods in which the related contract is completed.

SELF-INSURANCE

The Company self-insures the medical and dental coverage provided to certain of its employees, certain workers' compensation and the first \$250,000 of its general liability coverage.

A provision for self-insured claims is recorded when sufficient information is available to reasonably estimate the amount of the loss.

UNCONSOLIDATED SUBSIDIARY

The Company has an unconsolidated subsidiary, Atlantic Methanol Capital Company ("AMCCO"), a 50 percent owned joint venture that owns an indirect 90 percent interest in Atlantic Methanol Production Company ("AMPCO"). The Company accounted for its interest in AMCCO through 2001 using the equity method within the Company's wholly-owned subsidiary, Samedan of North Africa, Inc. The Company participated with a 50 percent expense interest (45 percent ownership net of a five percent government carried interest) in the construction of a methanol plant in Equatorial Guinea. For more information, see "Note 9 - Unconsolidated Subsidiary" of this Form 10-K.

RECLASSIFICATION

Certain reclassifications have been made to the 1999 consolidated financial statements to conform to the 2001 presentation.

RECENTLY ISSUED PRONOUNCEMENTS

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The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," in June 1998. The Statement established accounting and reporting standards requiring every derivative instrument (including certain derivative instruments embedded in other contracts) to be recorded in the balance sheet as either an asset or liability measured at its fair value. The Statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met wherein gains and losses are reflected in shareholders' equity as other

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comprehensive income until the hedged item is recognized. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company formally document, designate and assess the effectiveness of transactions that receive hedge accounting.

The Company adopted SFAS No. 133 effective January 1, 2001. The adoption of this statement did not have a material impact on the Company's results of operations or financial position, as of the date of adoption. At December 31, 2001, the Company recorded oil and gas hedge receivables of \$33.4 million, oil and gas hedge liabilities of \$25.4 million and other comprehensive income, net of tax, of \$5.1 million related to the Company's hedging contracts.

SFAS No. 143, "Accounting for Asset Retirement Obligations," was issued in June 2001. This statement addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred. The associated asset retirement costs are capitalized as part of the carrying cost of the asset. The Company has not quantified the impact of adopting SFAS No. 143, but plans to adopt the statement by January 1, 2003.

SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," was issued in August 2001. This statement addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This statement supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." This statement requires (a) recognition of an impairment loss only if the carrying amount of a long-lived asset is not recoverable from its undiscounted cash flows and (b) measurement of an impairment loss as the difference between the carrying amount and fair value of the asset. The Company adopted the statement January 1, 2002 with no material impact on the Company's results of operations or financial position.

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.

CASH AND SHORT-TERM INVESTMENTS

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

OIL AND GAS PRICE HEDGE AGREEMENTS

The fair value of oil and gas price hedges is the estimated amount the Company would receive or pay to terminate the hedge agreements at the reporting date taking into account creditworthiness of the hedging parties.

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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 as of December 31, for each of the years are as follows:

(IN THOUSANDS)	2001		CARRYI AMOU
	CARRYING AMOUNT	FAIR VALUE	
Cash and short-term investments	\$ 73,237	\$ 73,237	\$ 23,1
Long-term debt	\$ 837,177	\$ 852,033	\$ 525,4

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NOTE 3 - DEBT

A summary of debt at December 31 follows:

(IN THOUSANDS)	2001
\$400 million Credit Agreement	\$ 380,0
\$300 million Credit Agreement	
Note obtained in acquisition	31,0
7 1/4% Notes Due 2023	100,0
8% Senior Notes Due 2027	250,0
7 1/4% SENIOR DEBENTURES DUE 2097	100,0
Outstanding Debt	861,0
Less: unamortized discount	4,3
Current Installment of Long-term Debt Obtained in Acquisition	19,5
Long-term Debt	\$ 837,1

The Company's total long-term debt, net of unamortized discount, at December 31, 2001, was \$837 million compared to \$525 million at December 31, 2000. The ratio of debt to book capital (defined as the Company's debt plus its equity) was 45 percent at December 31, 2001, compared with 38 percent at December 31, 2000.

The Company's long-term debt, net of current portion, is comprised of: \$100 million of 7 1/4% Notes Due 2023, \$250 million of 8% Senior Notes Due 2027, \$100 million of 7 1/4% Senior Debentures Due 2097, \$11 million on the note obtained in the acquisition and the outstanding balance of \$380 million on a \$400 million five-year credit facility. Payments of \$11 million on the note obtained in the acquisition will be made as follows: 2003, \$4 million and 2004, \$7 million. The

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\$380 million due on the credit facility that matures November 30, 2006 is the only other amount due on long-term debt during the next five years. There are no scheduled payments prior to maturity. In addition, \$19.5 million of the current installment of the long-term debt obtained in the acquisition will be repaid during 2002.

The Company had a \$300 million credit agreement that exposed the Company to the risk of earnings or cash flow loss due to changes in market interest rates. The interest rate was based upon a Eurodollar rate plus a range of 17.5 to 50 basis points. There was an outstanding balance of \$250 million on this credit agreement which was repaid on November 30, 2001. At year-end 2000, the Company had \$80 million outstanding on this credit facility.

The Company entered into a new \$400 million five-year credit agreement on November 30, 2001 with certain commercial lending institutions which exposes the Company to the risk of earnings or cash flow loss due to changes in market interest rates. The interest rate is based upon a Eurodollar rate plus a range of 60 to 145 basis points depending upon the percentage of utilization and credit rating. At December 31, 2001, there was \$380 million borrowed against this credit agreement, which has a maturity date of November 30, 2006.

The Company also entered into a new \$200 million 364-day credit agreement on November 30, 2001 with certain commercial lending institutions which exposes the Company to the risk of earnings or cash flow loss due to changes in market interest rates. The interest rate is based upon a Eurodollar rate plus a range of 62.5 to 150 basis points depending upon the percentage of utilization and credit rating. At December 31, 2001, there were no amounts outstanding under this credit agreement, which has a maturity date of November 27, 2002 for the revolving commitment and a maturity date of November 27, 2003 for the term commitment which includes any balance remaining after the revolving commitment matures.

The Company had a \$25 million short-term note payable outstanding December 31, 2001, which was repaid January 28, 2002. The note was an uncommitted facility with an interest rate of 3.25 percent for the period December 28, 2001 to January 28, 2002.

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NOTE 4 - INCOME TAXES

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)	2001	2000

Statutory rate (benefit)	35.0	35.0
Effect of:		
State taxes, net of federal benefit	.3	.3
Difference between U.S. and foreign rates	4.9	4.9
OTHER, NET	.4	.4

Effective Rate	40.6	36.0

The net current deferred tax asset (liability) in the following table is classified as Other Current Assets in the Consolidated Balance Sheet. The tax

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effects of temporary differences which gave rise to deferred tax assets and liabilities as of December 31 were:

(IN THOUSANDS)	2001

U.S. and State Current Deferred Tax Assets (Liabilities):	
Accrued expenses	\$ 15
Deferred income	626
Allowance for doubtful accounts	226
Mark to market - hedging contracts	(2,730)
OTHER	(17)

Net Current Deferred Tax Asset (Liability)	(1,880)

U.S. and State Non-current Deferred Tax Assets (Liabilities):	
Property, plant and equipment, principally due to differences in depreciation, amortization, lease impairment and abandonments	(177,382)
Accrued expenses	7,125
Deferred income	6,029
Allowance for doubtful accounts	5,767
Foreign and state income tax accruals	11,627
OTHER	2,244

Net non-current deferred asset (liability)	(144,590)

U.S. and state net deferred tax asset (liability)	(146,470)

Foreign Deferred Tax Assets (Liabilities):	
Property, plant and equipment of FOREIGN OPERATIONS	(31,669)

Deferred tax liability	(31,669)

Total net deferred tax liability	\$ (178,139)

The components of income from operations before income taxes as of December 31 for each year are as follows:

(IN THOUSANDS)	2001	2000

Domestic	\$241,479	\$268,489
Foreign	(16,869)	30,994

Total	\$224,610	\$299,483

The income tax provision (benefit) relating to operations consists of the following for the years ended December 31:

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(IN THOUSANDS)	2001	2000
U.S. current	\$ 24,743	\$ 65,35
U.S. deferred	53,591	32,31
State current	651	91
State deferred	360	33
Foreign current	6,200	8,34
Foreign deferred	5,490	62
Total	\$ 91,035	\$ 107,88

Note 5 - Common Stock, Stock Options and Stockholder Rights

The Company has two stock option plans, the 1992 Stock Option and Restricted Stock Plan ("1992 Plan") and the 1988 Non-Employee Director Stock Option Plan ("1988 Plan"). The Company accounts for these plans under APB Opinion No. 25.

Under the Company's 1992 Plan, the Board of Directors may grant stock options and award restricted stock. No restricted stock has been issued under the 1992 Plan. Since the adoption of the 1992 Plan, stock options have been issued at the market price on the date of grant. The earliest the granted options may be exercised is over a three year period at the rate of 33 1/3% each year commencing on the first anniversary of the grant date. The options expire ten years from the grant date. The 1992 Plan was amended in 2000, by a vote of the shareholders, to increase the maximum number of shares of common stock that may be issued under the 1992 Plan to 6,500,000 shares. At December 31, 2001, the Company had reserved 5,384,498 shares of common stock for issuance, including 1,732,030 shares available for grant, under its 1992 Plan.

The Company's 1988 Plan allows stock options to be issued to certain non-employee directors 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 1988 Plan provides for the grant of options to purchase a maximum of 550,000 shares of the Company's authorized but unissued common stock. The 1988 Plan was amended at the shareholders' annual meeting on April 24, 2001 to provide for the granting of a consistent number of stock options to each non-employee director annually (10,000 stock options for the first year of service and 5,000 stock options for each year thereafter) and to change the annual grant date to February 1, commencing February 1, 2002. At December 31, 2001, the Company had reserved 335,857 shares of common stock for issuance, including 139,786 shares available for grant, under its 1988 Plan.

The Company adopted a stockholder rights plan on August 27, 1997, designed to assure that the Company's stockholders receive fair and equal treatment in the event of any proposed takeover of the Company and to guard against partial tender offers and other abusive takeover tactics to gain control of the Company without paying all stockholders a fair price. The rights plan was not adopted in response to any specific takeover proposal. Under the rights plan, the Company declared a dividend of one right ("Right") on each share of Noble Affiliates, Inc. common stock. Each Right will entitle the holder to purchase one one-hundredth of a share of a new Series A Junior Participating Preferred Stock, par value \$1.00 per share, at an exercise price of \$150.00. The Rights are not currently exercisable and will become exercisable only in the event a person or group acquires beneficial ownership of 15 percent or more of Noble Affiliates, Inc. common stock. The dividend distribution was made on September 8, 1997, to stockholders of record at the close of business on that date. The Rights will expire on September 8, 2007.

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

	NUMBER OF SHARES

OUTSTANDING DECEMBER 31, 1998	2,817,242

Granted	810,895
Exercised	(64,055)
CANCELED	(85,812)

OUTSTANDING DECEMBER 31, 1999	3,478,270

Granted	774,343
Exercised	(432,199)
CANCELED	(109,404)

OUTSTANDING DECEMBER 31, 2000	3,711,010

Granted	723,400
Exercised	(509,161)
CANCELED	(81,267)

OUTSTANDING DECEMBER 31, 2001	3,843,982

EXERCISABLE AT DECEMBER 31, 2001	2,530,285

Fair value estimates are based on several assumptions and should not be viewed as indicative of the operations of the Company in future periods. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions used for grants in 2001, 2000 and 1999, respectively, as follows:

(AMOUNTS EXPRESSED IN PERCENTAGES)	2001	2000

Interest rate	5.46	6.00
Dividend yield	.40	.40
Expected volatility	38.19	51.00
Expected life	9.64	9.00

The weighted average fair value of options granted using the Black-Scholes option pricing model for 2001, 2000 and 1999, respectively, is as follows:

2001	2000
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Black-Scholes model weighted average fair value option price \$23.86 \$16.

The Company applies APB Opinion No. 25 in accounting for its fixed price stock options. The table below sets forth the Company's net income and earnings per share for each of the years ended December 31, as reported and on a pro forma basis as if the compensation cost of stock options had been determined utilizing fair values.

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	2001	2000
Net Income:		
As Reported	\$ 133,575	\$191,500
Pro Forma	\$ 126,037	\$183,400
Basic Earnings Per Share:		
As Reported	\$ 2.36	\$ 3.00
Pro Forma	\$ 2.23	\$ 3.00
Diluted Earnings Per Share:		
As Reported	\$ 2.33	\$ 3.00
Pro Forma	\$ 2.20	\$ 3.00

Compensation expense totaling \$781,275 was recognized in 2000, due to the accelerated vesting of stock options as a result of the retirement of certain employees.

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NOTE 6 - EMPLOYEE BENEFIT PLANS

PENSION PLAN AND OTHER POSTRETIREMENT BENEFIT PLANS

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 of equity securities and fixed income investments.

The Company sponsors other plans for the benefit of its employees and retirees. These plans include health care and life insurance benefits. The following table reflects the required disclosures on our pension and other postretirement benefit plans at December 31:

(IN THOUSANDS)	PENSION BENEFITS		O
	2001	2000	

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CHANGE IN BENEFIT OBLIGATION			
Benefit obligation at beginning of year	\$ 76,623	\$ 64,194	\$ 2,718
Adjustment for contributions paid in 2000	(54)		
Service cost	3,790	3,566	220
Interest cost	6,218	5,525	193
Plan participants' contributions			71
Actuarial (gain) loss	6,882	6,423	(333)
BENEFIT PAID	(3,872)	(3,085)	(181)

Benefit obligation at year end	\$ 89,587	\$ 76,623	\$ 2,688

CHANGE IN PLAN ASSETS			
Fair value of plan assets at beginning of year	\$ 55,487	\$ 59,168	\$
Actual return on plan assets	(1,541)	(992)	
Employer contribution	3,497	396	180
Benefit paid	(3,873)	(3,085)	(180)

Fair value of plan at end of year	\$ 53,570	\$ 55,487	\$

Fund status	\$ (36,017)	\$ (21,136)	\$ (2,688)
Unrecognized net actuarial loss (gain)	6,826	(6,560)	(304)
Unrecognized prior service cost	2,451	2,743	(274)
UNRECOGNIZED NET TRANSITION OBLIGATION (ASSETS)	1,191	1,214	

Prepaid (accrued) benefit costs	\$ (25,549)	\$ (23,739)	\$ (3,266)

COMPONENTS OF NET PERIODIC BENEFIT COST			
Service cost	\$ 3,790	\$ 3,567	\$ 220
Interest cost	6,218	5,525	193
Expected return on plan assets	(4,899)	(4,666)	
Transition (assets) obligation recognition	24	24	
Amortization of prior service cost	292	291	(30)
RECOGNIZED NET ACTUARIAL LOSS	(66)	(347)	(10)

Net periodic benefit cost	\$ 5,359	\$ 4,394	\$ 373

WEIGHTED-AVERAGE ASSUMPTIONS AS OF DECEMBER 31,			
Discount rate	7.25%	8.00%	7.25%
Expected return on plan assets	8.50%	8.50%	
Rate of compensation increase	4.75%	5.50%	5.50%

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The following table reflects the aggregate pension obligation components for the defined benefit pension plan and the restoration benefit plan, which are aggregated in the previous tables, at December 31:

(IN THOUSANDS)	DEFINED BENEFIT PENSION PLAN		
	2001	2000	2001

AGGREGATED PENSION BENEFITS			
Aggregate fair value of plan assets	\$ 53,570	\$ 55,487	\$
Aggregate accumulated benefit obligation	73,868	61,902	15,719

Fund status of net periodic			

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Benefit assets (obligation)	\$ (20,298)	\$ (6,415)	\$ (15,719)
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Assumed health care cost trend rates have a significant effect on the amounts reported for health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following results:

(IN THOUSANDS)	1-PERCENTAGE- POINT INCREASE
----------------	---------------------------------

Total service and interest cost components	\$ 455
Total postretirement benefit obligation	\$ 2,940

EMPLOYEE SAVINGS PLAN ("ESP")

The Company has an ESP which is a defined contribution plan. Participation in the ESP is voluntary and all regular employees of the Company are eligible to participate. The Company may match up to 100 percent of the participant's contribution not to exceed six percent of the employee's base compensation. The following table indicates the Company's contribution for the years ended December 31:

(IN THOUSANDS)	2001	2000
----------------	------	------

Employers' plan contribution	\$1,805	\$1,858
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NOTE 7 - ADDITIONAL BALANCE SHEET AND STATEMENT OF OPERATIONS INFORMATION

Included in accounts receivable-trade is an allowance for doubtful accounts at December 31:

(IN THOUSANDS)	2001
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Allowance for doubtful accounts	\$ 638
---------------------------------	--------

Other current assets include the following at December 31:

(IN THOUSANDS)	2001
----------------	------

Deferred tax asset (liability)	\$ (1,880)
Prepaid federal income taxes	\$ 66,131

Other current liabilities include the following at December 31:

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(IN THOUSANDS)

2001

Gas imbalance liabilities	\$	1,593
Accrued interest payable	\$	10,692
Louisiana workers compensation	\$	6,433

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

(IN THOUSANDS)

2001

2000

Lease operating expense	\$	114,116	\$	93,948
Workover expense		15,094		21,124
Production taxes		8,829		10,264
OTHER		(4,490)		(3,470)
Total operations expense	\$	133,549	\$	121,866

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

(IN THOUSANDS)

2001

2000

Dry hole expense	\$	99,684	\$	38,463
Undeveloped lease amortization		17,213		16,075
Abandoned assets		(415)		3,375
Seismic		15,607		18,738
OTHER		19,592		11,592
Total exploration expense	\$	151,681	\$	88,243

During the past three years, there was no purchaser that accounted for more than ten percent of total oil and gas sales and royalties.

NOTE 8 - ASPECT ACQUISITION

During the fourth quarter of 2001, the Company acquired all of Aspect Energy's interests in 110 wells located along the Texas and Louisiana Gulf Coast. Current production is approximately 1,900 BBLS of oil per day and 57 MCF of gas per day. We acquired approximately 59 BCFe of reserves along with working capital and hedging positions. Also acquired was a 50 percent interest in Aspect's future drilling prospects in this region. As part of the transaction, the Company paid \$107 million in cash, issued \$14 million of common stock previously held in treasury and assumed a \$40 million note payable.

NOTE 9 - UNCONSOLIDATED SUBSIDIARY

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The Company has an unconsolidated subsidiary, Atlantic Methanol Capital Company ("AMCCO"), a 50 percent owned joint venture that owns an indirect 90 percent interest in Atlantic Methanol Production Company ("AMPCO"). The Company accounted for its interest in AMCCO through 2001 using the equity method within the Company's wholly-owned subsidiary, Samedan of North Africa, Inc. The Company participated with a 50 percent expense interest (45 percent ownership net of a five percent government carried interest) in the construction of a methanol plant in Equatorial Guinea. The total construction costs of the plant and supporting facilities as of December 31, 2001 were \$403 million including various contingencies, with the Company responsible for \$201.5 million. AMPCO estimates that an additional \$32 million will be incurred to complete various supporting facilities to finalize the project. The Company will be responsible for \$16 million in 2002. The plant is designed to produce 2,500 metric tons of methanol per day, which equates to approximately 20,000 BBLs per day. At this level of production, the plant would use approximately 125 MMCF of gas per day from the 34 percent owned Alba field as feedstock. Reserve estimates indicate the Alba field can deliver sufficient gas for the plant to operate 30 years. The methanol plant was completed and on line in the second quarter of 2001. During 1999, AMCCO issued \$250 million senior secured notes due 2004 that are not included in the Company's balance sheet. On January 2, 2002, the Company's partner in AMCCO directed AMCCO to sell 50 percent of its interest in AMPCO as a component of the partner's sale of all of its Equatorial Guinea assets. The proceeds of the AMPCO sale were used to repay in full AMCCO's \$125 million Series A-1 Notes on January 28, 2002 and to make a distribution to the Company's partner. Since the Company's partner in AMCCO no longer retains an economic interest in AMPCO, the Company will consolidate the results of AMCCO, thereby including the \$125 million Series A-2 Notes in the Company's balance sheet. The terms of the \$125 million Series A-2 Notes remain unchanged.

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The following are summarized financial statements for AMCCO as of December 31:

CONSOLIDATED BALANCE SHEET (Unaudited)
ATLANTIC METHANOL CAPITAL COMPANY

(IN THOUSANDS)

2001

ASSETS

Current assets	\$ 86,213
Non-current assets	432,431

TOTAL ASSETS	\$ 518,644
--------------	------------

LIABILITIES, MINORITY INTEREST AND MEMBERS' EQUITY

Current liabilities	\$ 14,892
Non-current liabilities	272,406
Minority interest	41,210
Members' equity	190,136

Total Liabilities, Minority Interest and Members' Equity	\$ 518,644
--	------------

CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

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ATLANTIC METHANOL CAPITAL COMPANY

(IN THOUSANDS)	2001	2000
REVENUE		
Methanol sales	\$ 43,343	\$
Other income	5,346	4,389
Total Revenue	\$ 48,689	\$ 4,389
Less cost of goods sold	(28,548)	
Gross Margin	\$ 20,141	\$ 4,389
EXPENSES		
DD&A	\$ 8,427	\$
Other expenses	4,363	
Interest (net of amount capitalized)	19,069	1,005
ADMINISTRATIVE	317	86
Total Expenses	\$ 32,176	\$ 1,091
NET INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS	\$ (12,035)	\$ 3,298
EXTRAORDINARY ITEMS (1)	\$ 24,776	\$
NET INCOME (LOSS)	\$ (36,811)	\$ 3,298

(1) During the year, a prepayment penalty was recorded in connection with the early retirement of Series A-1 Secured Notes in 2002. The charge for the extraordinary item has been allocated to the Company's partner in AMCCO. Therefore, the Company has not recognized anything related to this loss in its financial statements.

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SUPPLEMENTAL OIL AND GAS INFORMATION
(Unaudited)

There are numerous uncertainties inherent in estimating quantities of proved oil and gas reserves. Oil and gas reserve engineering is a subjective process of estimating underground accumulations of oil and gas that cannot be precisely measured, and estimates of engineers other than Samedan's might differ materially from the estimates set forth herein. The accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, testing and production subsequent to the date of the estimate may justify revision of such estimate. Accordingly, reserve estimates are often different from the quantities of oil and gas that are ultimately recovered.

PROVED GAS RESERVES (Unaudited)

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The following reserve schedule was developed by the Company's reserve engineers and sets forth the changes in estimated quantities of proved gas reserves of the Company during each of the three years presented.

NATURAL GAS AND CASINGHEAD GAS (MM					
PROVED RESERVES AS OF:	UNITED STATES	ARGENTINA	ECUADOR	EQUATORIAL GUINEA	ISRAEL
JANUARY 1, 2001	752,387	4,544	87,500	383,292	218,154
Revisions of previous estimates	(46,886)	36		(2,550)	159,847
Extensions, discoveries and other additions	129,172	371		66,410	
Production	(134,507)	(603)		(8,938)	
Sale of minerals in place	(246)				
Purchase of minerals in place	51,363				
DECEMBER 31, 2001	751,283	4,348	87,500	438,214	378,001
PROVED RESERVES AS OF:					
JANUARY 1, 2000	759,781	5,221	87,500	384,102	
Revisions of previous estimates	(7,022)	44		131	
Extensions, discoveries and other additions	135,844				218,154
Production	(136,010)	(721)		(941)	
Sale of minerals in place	(4,840)				
Purchase of minerals in place	4,634				
DECEMBER 31, 2000	752,387	4,544	87,500	383,292	218,154
PROVED RESERVES AS OF:					
JANUARY 1, 1999	873,222	5,386		321,642	
Revisions of previous estimates	(15,700)	482		63,478	
Extensions, discoveries and other additions	87,293		87,500		
Production	(150,871)	(647)		(1,018)	
Sale of minerals in place	(34,165)				
Purchase of minerals in place	2				
DECEMBER 31, 1999	759,781	5,221	87,500	384,102	
PROVED DEVELOPED GAS RESERVES AS OF:					
January 1, 2002	721,926	3,996		438,213	
January 1, 2001	690,301	4,544		383,292	
January 1, 2000	703,166	5,221		11,687	
January 1, 1999	818,787	5,386		12,862	

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PROVED OIL RESERVES (Unaudited)

The following reserve schedule was developed by the Company's reserve engineers and sets forth the changes in estimated quantities of proved oil reserves of the Company during each of the three years presented.

	CRUDE OIL AND CONDENSATE (BBLs IN THOUSANDS)			
PROVED RESERVES AS OF:	UNITED STATES	ARGENTINA	CHINA	EQUATORIAL GUINEA

JANUARY 1, 2001	69,700	9,437	9,768	47,446
Revisions of previous estimates	324	(6)		(272)
Extensions, discoveries and other additions	7,453	1,846		34,303
Production	(7,363)	(1,000)		(1,687)
Sale of minerals in place	(37)			
Purchase of minerals in place	1,595			

DECEMBER 31, 2001	71,672	10,277	9,768	79,790

PROVED RESERVES AS OF:				

JANUARY 1, 2000	65,523	10,285	9,768	30,684
Revisions of previous estimates	(1,493)	68		185
Extensions, discoveries and other additions	12,788			17,491
Production	(7,309)	(916)		(914)
Sale of minerals in place	(935)			
Purchase of minerals in place	1,126			

DECEMBER 31, 2000	69,700	9,437	9,768	47,446

PROVED RESERVES AS OF:				

JANUARY 1, 1999	77,306	11,128		22,001
Revisions of previous estimates	(1,394)	(24)		9,617
Extensions, discoveries and other additions	3,687		9,768	
Production	(8,952)	(819)		(934)
Sale of minerals in place	(5,125)			
Purchase of minerals in place	1			

DECEMBER 31, 1999	65,523	10,285	9,768	30,684

PROVED DEVELOPED OIL RESERVES AS OF:				

January 1, 2002	64,534	8,866	9,768	61,897
January 1, 2001	58,903	9,437	9,768	47,446
January 1, 2000	60,618	10,285	9,768	14,743
January 1, 1999	72,949	11,128		11,425

 PROVED RESERVES. Proved reserves are estimated quantities of crude oil, natural gas, natural gas liquids and condensate liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years

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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.

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OIL AND GAS OPERATIONS (Unaudited)

Aggregate results of operations for each period ended December 31, in connection with the Company's oil and gas producing activities, are shown below. Amounts are presented in accordance with SFAS No. 19, and may not agree with amounts determined using traditional industry definitions.

(IN THOUSANDS)

DECEMBER 31, 2001	UNITED STATES	ARGENTINA	ECUADOR	EQUATORIAL GUINEA	NORTH SEA
Revenues	\$ 742,909	\$ 19,999	\$	\$ 38,841	\$ 54,051
Production costs	146,254	7,574		5,381	8,774
Exploration expenses	86,619	168		39	33,224
DD&A and valuation provision	266,805	8,547	79	3,830	18,171
Income (loss)	243,231	3,710	(79)	29,591	(6,118)
Income tax expense (benefit)	85,498	2,277	(27)	14,429	(2,721)
Result of operations from producing activities (excluding corporate overhead and interest COSTS)	\$ 157,733	\$ 1,433	\$ (52)	\$ 15,162	\$ (3,397)
<hr/>					
DECEMBER 31, 2000					
Revenues	\$ 705,270	\$ 25,298	\$	\$ 25,501	\$ 35,284
Production costs	129,359	6,952		5,010	5,962
Exploration expenses	78,955	179	(4)	121	2,739
DD&A and valuation provision	222,161	7,796	47	1,355	12,231
Income (loss)	274,795	10,371	(43)	19,015	14,352
Income tax expense (benefit)	96,675	6,048	(15)	8,978	4,316
Result of operations from producing activities (excluding corporate overhead and interest COSTS)	\$ 178,120	\$ 4,323	\$ (28)	\$ 10,037	\$ 10,036
<hr/>					
DECEMBER 31, 1999					
Revenues	\$ 493,718	\$ 14,302	\$	\$ 16,036	\$ 24,677
Production costs	125,803	4,640		3,183	7,106
Exploration expenses	45,461	542	130	196	4,270
DD&A and valuation provision	231,157	6,401	16	3,212	19,687
Income (loss)	91,297	2,719	(146)	9,445	(6,386)

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Income tax expense (benefit)	31,646	1,651		4,428	(733)

Result of operations from producing activities (excluding corporate overhead and interest costs)	\$ 59,651	\$ 1,068	\$ (146)	\$ 5,017	\$ (5,653)

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COSTS INCURRED IN OIL AND GAS ACTIVITIES (Unaudited)

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

(IN THOUSANDS)

	UNITED STATES	ECUADOR	EQUATORIAL GUINEA	ISRAEL	NORTH SEA	

DECEMBER 31, 2001						

Property acquisition costs						
Proved	\$ 91,251	\$	\$	\$	\$ 6,318	\$
Unproved	76,808				2,167	

Total	\$ 168,059	\$	\$	\$	\$ 8,485	\$

Exploration costs	\$ 134,247	\$ 1,402	\$ 4,003	\$ 131	\$ 34,766	\$

Development costs	\$ 279,297	\$ 48,335	\$ 10,364	\$ 11,163	\$ 17,338	\$

DECEMBER 31, 2000						

Property acquisition costs						
Proved	\$ 6,822	\$	\$	\$ 50,861	\$ 41,284	\$
Unproved	12,559			1,927	2,218	

Total	\$ 19,381	\$	\$	\$ 52,788	\$ 43,502	\$

Exploration costs	\$ 115,728	\$ (4)	\$ 62	\$ 11,387	\$ 1,396	\$

Development costs	\$ 180,339	\$ 35,078	\$ 36,820	\$ 1,502	\$ 2,219	\$

DECEMBER 31, 1999						

Property acquisition costs						
Proved	\$ 69	\$	\$	\$	\$	\$
Unproved	7,280					

Total	\$ 7,349	\$	\$	\$	\$	\$

Exploration costs	\$ 43,999	\$ 130	\$ 123	\$	\$ 3,229	\$

Development costs	\$ 48,042	\$ 2,569	\$ 1,748	\$	\$ 4,972	\$

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AGGREGATE CAPITALIZED COSTS (Unaudited)

Aggregate capitalized costs relating to the Company's oil and gas producing activities, and related accumulated DD&A, as of December 31 are shown below:

(IN THOUSANDS)	2001			2000		
	U. S.	INT'L	TOTAL	U. S.	INT'L	TOTAL
Unproved oil and gas properties	\$ 142,232	\$ 14,041	\$ 156,273	\$ 80,750	\$ 14,041	\$ 94,791
Proved oil and gas properties	3,007,757	757,885	3,765,642	2,598,115	469,770	3,067,885
Accumulated DD&A	3,149,989 (1,855,352)	771,926 (138,425)	3,921,915 (1,993,777)	2,678,865 (1,637,659)	534,061 (107,654)	1,041,206 (746,305)
Net capitalized costs	\$ 1,294,637	\$ 633,501	\$ 1,928,138	\$ 1,041,206	\$ 426,102	\$ 1,467,308

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STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS RELATING TO PROVED OIL AND GAS RESERVES (Unaudited)

The following information is based on the Company's best estimate of the required data for the Standardized Measure of Discounted Future Net Cash Flows as of December 31, 2001, 2000 and 1999 in accordance with SFAS No. 69. The Standard requires the use of a 10 percent discount rate. This information is not the fair market value nor does it represent the expected present value of future cash flows of the Company's proved oil and gas reserves.

DECEMBER 31, 2001	UNITED STATES	ECUADOR	EQUATORIAL GUINEA	ISRAEL	NORTH SEA
(IN MILLIONS OF DOLLARS)					
Future cash inflows	\$ 3,399	\$ 264	\$ 1,576	\$ 900	\$ 281
Future production and development costs	1,618	103	381	150	84
Future income tax expenses	437	26	598	193	49
Future net cash flows	1,344	135	597	557	148
10% annual discount for estimated timing of cash flows	562	56	406	364	25
Standardized measure of discounted future net cash flows	\$ 782	\$ 79	\$ 191	\$ 193	\$ 123

DECEMBER 31, 2000

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(IN MILLIONS OF DOLLARS)

Future cash inflows	\$ 8,825	\$ 305	\$ 1,125	\$ 524	\$ 379
Future production and development costs	1,759	90	178	92	89
Future income tax expenses	1,909	58	256	117	78
-----	-----	-----	-----	-----	-----
Future net cash flows	5,157	157	691	315	212
10% annual discount for estimated timing of cash flows	2,037	62	273	124	84
-----	-----	-----	-----	-----	-----
Standardized measure of discounted future net cash flows	\$ 3,120	\$ 95	\$ 418	\$ 191	\$ 128
-----	-----	-----	-----	-----	-----

DECEMBER 31, 1999

(IN MILLIONS OF DOLLARS)

Future cash inflows	\$ 3,565	\$ 320	\$ 779	\$	\$ 181
Future production and development costs	1,566	73	189		85
Future income tax expenses	376	46	111		18
-----	-----	-----	-----	-----	-----
Future net cash flows	1,623	201	479		78
10% annual discount for estimated timing of cash flows	686	85	203		33
-----	-----	-----	-----	-----	-----
Standardized measure of discounted future net cash flows	\$ 937	\$ 116	\$ 276	\$	\$ 45
-----	-----	-----	-----	-----	-----

Construction of AMPCO's methanol plant was completed in the second quarter of 2001. The future net cash inflows for 2001, 2000 and 1999 do not include cash flows relating to the Company's anticipated future methanol sales. For more information regarding the methanol plant, see "Item 1. Business--Unconsolidated Subsidiary," "Item 2. Properties--Oil and Gas" and "Item 8. Financial Statements and Supplementary Data--Note 9 - Unconsolidated Subsidiary" of this Form 10-K.

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Future cash inflows are estimated 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 hedging contracts, if any.

The year-end NYMEX West Texas intermediate crude oil price utilized in the computation of future cash inflows was \$19.84 per BBL, which was adjusted by differentials applied on a property-by-property basis to yield a weighted average price of \$17.39 per BBL. The West Texas intermediate crude oil price, as of February 22, 2002, was \$21.07 per BBL, an increase of \$1.23 per BBL compared to year-end 2001. The Company estimates that a \$1.00 per BBL change in the average oil price from the year-end price would change discounted future net cash flows before income taxes by approximately \$79 million.

The year-end NYMEX natural gas price utilized in the computation of future cash inflows was \$2.57 per MCF, which was adjusted by differentials applied on a property-by-property basis to yield a weighted average price of \$2.45 per MCF. As of February 22, 2002, NYMEX natural gas prices had decreased approximately \$.12 per MCF to \$2.45 per MCF compared with the year-end price. The Company

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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 \$70 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 estimated 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 costs and exploration expenses of ongoing operations relating to the Company's proved oil and gas reserves.

At December 31, 2001, the Company had estimated gas imbalance receivables of \$20.9 million and estimated gas imbalance liabilities of \$15.5 million; at year-end 2000, \$18.5 million in receivables and \$14.2 million in liabilities; and at year-end 1999, \$17.9 million in receivables and \$12.0 million in liabilities. Neither the gas imbalance receivables nor gas imbalance liabilities have been included in the standardized measure of discounted future net cash flows as of each of the three years ended December 31, 2001, 2000 and 1999.

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SOURCES OF CHANGES IN DISCOUNTED FUTURE NET CASH FLOWS (Unaudited)

Principal changes in the aggregate standardized measure of discounted future net cash flows attributable to the Company's proved oil and gas reserves, as required by Financial Accounting Standards Board's SFAS No. 69, at year end are shown below.

(IN MILLIONS)	2001	2000
<hr/>		
Standardized measure of discounted future net cash flows at the beginning of the year	\$ 4,074	\$ 1,493
Extensions, discoveries and improved recovery, less related costs	448	1,462
Revisions of previous quantity estimates	114	(20)
Changes in estimated future development costs	(128)	(52)
Purchases (sales) of minerals in place	108	69
Net changes in prices and production costs	(3,376)	2,448
Accretion of discount	564	185
Sales of oil and gas produced, net of production costs	(713)	(662)
Development costs incurred during the period	220	172
Net change in income taxes	908	(1,207)
Change in timing of estimated future production, and other	(791)	186
<hr/>		
Standardized measure of discounted future net cash flows at the end		

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of the year

\$ 1,428

\$ 4,074

INTERIM FINANCIAL INFORMATION (Unaudited)

Interim financial information for the years ended December 31, 2001 and 2000 is as follows:

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)	QUARTER ENDED		
	MAR. 31,	JUNE 30,	SEPT. 30,
2001			
Revenues	\$ 559,967	\$ 413,992	\$ 302,964
Gross profit (loss) from operations	\$ 174,185	\$ 88,320	\$ 13,073
Net income (loss)	\$ 105,910	\$ 51,334	\$ 3,808
Basic earnings (loss) per share	\$ 1.88	\$.91	\$.07
Diluted earnings (loss) per share	\$ 1.84	\$.89	\$.07
2000			
Revenues	\$ 268,872	\$ 301,777	\$ 357,353
Gross profit from operations	\$ 49,444	\$ 68,025	\$ 97,489
Net income	\$ 26,880	\$ 36,861	\$ 57,217
Basic earnings per share	\$.48	\$.66	\$ 1.02
Diluted earnings per share	\$.47	\$.65	\$ 1.01

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

Not applicable.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The section entitled "Election of Directors" in the Registrant's proxy statement for the 2002 annual meeting of stockholders 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 "Section 16(a) Beneficial Ownership Reporting Compliance" in the Registrant's proxy statement for the 2002 annual meeting of stockholders sets forth certain information with respect to compliance with Section 16(a) of the Securities Exchange Act of 1934, as amended, and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION.

The section entitled "Executive Compensation" in the Registrant's proxy statement for the 2002 annual meeting of stockholders sets forth certain information with respect to the compensation of management of the Registrant, and except for the report of the Compensation, Benefits and Stock Option Committee of the Board of Directors and the information therein under "Executive

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Compensation--Performance Graph" 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" in the Registrant's proxy statement for the 2002 annual meeting of stockholders 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.

The section entitled "Certain Transactions" in the Registrant's proxy statement for the 2002 annual meeting of stockholders sets forth certain information with respect to certain relationships and related transactions, and is incorporated herein by reference.

PART IV

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

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

- (1) Financial Statements and Financial Statement Schedules and Supplementary Data: These documents are listed in the Index to Consolidated Financial Statements in Item 8 hereof.
- (2) Exhibits: The exhibits required to be filed by this Item 14 are set forth in the Index to Exhibits accompanying this report.

(b) The Registrant made no filings on Form 8-K during 2001.

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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 11, 2002

BY: /s/ James L. McElvany,

James L. McElvany,
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

/s/ Charles D. Davidson

Charles D. Davidson

Chairman of the Board, President,

Chief Executive Officer and Director

Marco

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	(Principal Executive Officer)	
/s/ James L. McElvany ----- James L. McElvany	Vice President, Finance and Treasurer (Principal Financial and Accounting Officer)	Marco
/s/ Alan A. Baker ----- Alan A. Baker	Director	Marco
/s/ Michael A. Cawley ----- Michael A. Cawley	Director	Marco
/s/ Edward F. Cox ----- Edward F. Cox	Director	Marco
/s/ James C. Day ----- James C. Day	Director	Marco
/s/ Dale P. Jones ----- Dale P. Jones	Director	Marco
/s/ T. Don Stacy ----- T. Don Stacy	Director	Marco

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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 year ended December 31, 1987 and incorporated herein by reference).
3.2 --	Certificate of Designations of Series A Junior Participating Preferred Stock of the Registrant dated August 27, 1997 (filed Exhibit A of Exhibit 4.1 to the Registrant's Registration Statement on Form 8-A filed on August 28, 1997 and incorporated herein by reference).
3.3 --	Composite copy of Bylaws of the Registrant as currently in effect (filed as Exhibit 3.4 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1997 and incorporated herein by reference).
3.4 --	Certificate of Designations of Series B Mandatorily Convertible Preferred Stock of the Registrant dated November 9, 1999 (filed as Exhibit 3.4 to the Registrant's Annual Report on

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Form 10-K for the year ended December 31, 1999 and incorporated herein by reference).

- 4.1 -- 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% Notes 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).
- 4.2 -- Indenture relating to Senior Debt Securities dated as of April 1, 1997 between the Registrant and U.S. Trust Company of Texas, N.A., as Trustee (filed as Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997 and incorporated herein by reference).
- 4.3 -- First Indenture Supplement relating to \$250 million of the Registrant's 8% Senior Notes Due 2027 dated as of April 1, 1997 between the Registrant and U.S. Trust Company of Texas, N.A., as Trustee (filed as Exhibit 4.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997 and incorporated herein by reference).
- 4.4 -- Second Indenture Supplement, between the Company and U.S. Trust Company of Texas, N.A. as trustee, relating to \$100 million of the Registrant's 7 1/4% Senior Debentures Due 2097 dated as of August 1, 1997 (filed as Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1997 and incorporated herein by reference).
- 4.5 -- Rights Agreement, dated as of August 27, 1997, between the Registrant and Liberty Bank and Trust Company of Oklahoma City, N.A., as Right's Agent (filed as Exhibit 4.1 to the Registrant's Registration Statement on Form 8-A filed on August 28, 1997 and incorporated herein by reference).
- 4.6 -- Amendment No. 1 to Rights Agreement dated as of December 8, 1998, between the Registrant and Bank One Trust Company, as successor Rights Agent to Liberty Bank and Trust Company of Oklahoma City, N.A. (filed as Exhibit 4.2 to the Registrant's Registration Statement on Form 8-A/A (Amendment No. 1) filed on December 14, 1998 and incorporated herein by reference).
- 10.1* -- Samedan Oil Corporation Bonus Plan, as amended and restated on September 24, 1996 (filed as Exhibit 10.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1996 and incorporated herein by reference).
- 10.2* -- Restoration of Retirement Income Plan for certain participants in the Noble Affiliates Retirement Plan dated September 21, 1994, effective as of May 19, 1994 (filed as Exhibit 10.5 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1994 and incorporated herein by reference).
- Exhibit
Number

- Exhibit **

- 10.3 * -- Noble Affiliates Thrift Restoration Plan dated May 9, 1994 (filed as Exhibit 10.6 to the Registrant's Annual Report on

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Form 10-K for the fiscal year ended December 31, 1994 and incorporated herein by reference).

- 10.4* -- Noble Affiliates Restoration Trust dated September 21, 1994, effective as of October 1, 1994 (filed as Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994 and incorporated herein by reference).
- 10.5* -- Noble Affiliates, Inc. 1992 Stock Option and Restricted Stock Plan, as amended and restated, dated November 2, 1992 (filed as Exhibit 4.1 to the Registrant's Registration Statement on Form S-8 (Registration No. 33-54084) and incorporated herein by reference).
- 10.6* -- 1982 Stock Option Plan of the Registrant (filed as Exhibit 4.1 to the Registrant's Registration Statement on Form S-8 (Registration No. 2-81590) and incorporated herein by reference).
- 10.7* -- Amendment No. 1 to the 1982 Stock Option Plan of the Registrant (filed as Exhibit 4.2 to the Registrant's Registration Statement on Form S-8 (Registration No. 2-81590) and incorporated herein by reference).
- 10.8* -- Amendment No. 2 to the 1982 Stock Option Plan of the Registrant (filed as Exhibit 10.11 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1995 and incorporated herein by reference).
- 10.9* -- 1988 Nonqualified Stock Option Plan for Non-Employee Directors of the Registrant, as amended and restated, effective as of April 24, 2001.
- 10.10* -- Form of Indemnity Agreement entered into between the Registrant and each of the Registrant's directors and bylaw officers (filed as Exhibit 10.18 to the Registrant's Annual Report of Form 10-K for the year ended December 31, 1995 and incorporated herein by reference).
- 10.11 -- 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).
- 10.12 -- Stock Purchase Agreement dated as of July 1, 1996, between Samedan Oil Corporation and Enterprise Diversified Holdings Incorporated (filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K (Date of Event: July 31, 1996) dated August 13, 1996 and incorporated herein by reference).
- 10.13* -- Noble Affiliates, Inc. 1992 Stock Option and Restricted Stock Plan, as amended and restated on December 10, 1996, subject to the approval of stockholders (filed as Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1996 and incorporated herein by reference).
- 10.14 -- Amended and Restated Credit Agreement dated as of December 24, 1997 among the Registrant, as borrower, and Union Bank of Switzerland, Houston agency, as the agent for the lender, and NationsBank of Texas, N.A. and Texas Commerce Bank National Association, as managing agents, and Bank of Montreal, CIBC Inc., The First National Bank of Chicago, Royal Bank of Canada,

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and Societe Generale, Southwest agency, as co-agents, and certain commercial lending institutions, as lenders (filed as Exhibit 10.20 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1997 and incorporated herein by reference).

Exhibit Number -----		Exhibit ** -----
10.15	--	Noble Preferred Stock Remarketing and Registration Rights Agreement dated as of November 10, 1999 by and among the Registrant, Noble Share Trust, The Chase Manhattan Bank, and Donaldson, Lufkin & Jenrette Securities Corporation (filed as Exhibit 10.15 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999 and incorporated herein by reference).
10.16*	--	Employment Agreement effective as of October 2, 2000 between Noble Affiliates, Inc. and Charles D. Davidson (filed as Exhibit 10.16 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2000 and incorporated herein by reference).
10.17*	--	Letter agreement dated February 1, 2002 between the Registrant and Charles D. Davidson, terminating Mr. Davidson's employment agreement and entering into the attached Change of Control Agreement.
10.18*	--	Form of Change of Control Agreement entered into between the Registrant and each of the Registrant's officers, with schedule setting forth differences in Change of Control Agreements.
10.19	--	Five-year Credit Agreement dated as of November 30, 2001 among the Registrant, as borrower, and JPMorgan Chase Bank, as the administrative agent for the lenders, and Societe Generale, as the syndication agent for the lenders, Mizuho Financial Group, Credit Lyonnais, New York Branch, The Royal Bank of Scotland PLC, and Deutsche Bank Ag New York Branch, as co-documentation agents, and certain commercial lending institutions, as lenders.
10.20	--	364-day Credit Agreement dated as of November 30, 2001 among the Registrant, as borrower, and JPMorgan Chase Bank, as the administrative agent for the lenders, and Societe Generale, as the syndication agent for the lenders, Mizuho Financial Group, Credit Lyonnais, New York Branch, The Royal Bank of Scotland PLC, and Deutsche Bank Ag New York Branch, as co-documentation agents, and certain commercial lending institutions, as lenders.
21	--	Subsidiaries.
23	--	Consent of Arthur Andersen LLP.
99	--	Company's letter to SEC re: Arthur Andersen LLP assurances.

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

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** Copies of exhibits will be furnished upon prepayment of 25 cents per page. Requests should be addressed to the Vice President-Finance and Treasurer, Noble Affiliates, Inc., 350 Glenborough Drive, Suite 100, Houston, Texas 77067.

DIRECTORS

CHARLES D. DAVIDSON
CHAIRMAN OF THE BOARD, PRESIDENT AND
CHIEF EXECUTIVE OFFICER,
NOBLE AFFILIATES, INC.

ALAN A. BAKER
CONSULTANT AND FORMER CHAIRMAN AND
CHIEF EXECUTIVE OFFICER,
HALLIBURTON ENERGY SERVICES

MICHAEL A. CAWLEY
TRUSTEE, PRESIDENT AND CHIEF EXECUTIVE OFFICER,
THE SAMUEL ROBERTS NOBLE FOUNDATION, INC.

EDWARD F. COX
PARTNER, LAW FIRM OF
PATTERSON, BELKNAP, WEBB AND TYLER LLP

JAMES C. DAY
CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER,
NOBLE DRILLING CORPORATION

DALE P. JONES
CONSULTANT AND FORMER VICE CHAIRMAN AND
PRESIDENT, HALLIBURTON COMPANY

BRUCE A. SMITH
CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER,
TESORO PETROLEUM CORPORATION

T. DON STACY
FORMER CHAIRMAN AND
PRESIDENT, AMOCO EURASIA PETROLEUM CO.

DIRECTOR EMERITUS

GEORGE J. MCLEOD

EXECUTIVE OFFICERS

CHARLES D. DAVIDSON
CHAIRMAN OF THE BOARD, PRESIDENT,
CHIEF EXECUTIVE OFFICER AND DIRECTOR
NOBLE AFFILIATES, INC.

ALAN R. BULLINGTON
VICE PRESIDENT, INTERNATIONAL,
NOBLE AFFILIATES, INC.

ROBERT K. BURLESON
VICE PRESIDENT, BUSINESS ADMINISTRATION,
NOBLE AFFILIATES, INC. AND PRESIDENT,

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NOBLE GAS MARKETING, INC.

SUSAN M. CUNNINGHAM
SENIOR VICE PRESIDENT, EXPLORATION,
NOBLE AFFILIATES, INC.

ALBERT D. HOPPE
SENIOR VICE PRESIDENT, GENERAL COUNSEL
AND SECRETARY,
NOBLE AFFILIATES, INC.

JAMES L. MCELVANY
VICE PRESIDENT, CHIEF FINANCIAL OFFICER,
TREASURER AND ASSISTANT SECRETARY,
NOBLE AFFILIATES, INC.

RICHARD A. PENEGUY, JR.
VICE PRESIDENT, OFFSHORE,
NOBLE AFFILIATES, INC.

WILLIAM A. POILLION, Jr.
SENIOR VICE PRESIDENT, PRODUCTION AND DRILLING,
NOBLE AFFILIATES, INC.

TED A. PRICE
VICE PRESIDENT, ONSHORE,
NOBLE AFFILIATES, INC.

KENNETH P. WILEY
VICE PRESIDENT, INFORMATION SYSTEMS,
NOBLE AFFILIATES, INC.

CORPORATE AND SUBSIDIARY OFFICES
NOBLE AFFILIATES, INC.

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(281) 872-3100

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ASSISTANT TREASURER
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NOBLE GAS MARKETING, INC.
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SUITE 180
HOUSTON, TEXAS 77067

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NOBLE TRADING, INC.
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INTERNATIONAL
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INDEPENDENT PUBLIC ACCOUNTANTS
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OKLAHOMA CITY, OKLAHOMA

TRANSFER AGENT AND REGISTRAR
FIRST UNION NATIONAL BANK
NC1153
1525 WEST W. T. HARRIS BLVD., 3C3
CHARLOTTE, NORTH CAROLINA 28262-1153
(704) 427-6349
RHONDA.WHITLEY@FIRSTUNION.COM

COMMON STOCK LISTED
NEW YORK STOCK EXCHANGE
SYMBOL - NBL

ANNUAL MEETING

The Annual Meeting of Stockholders of Noble Affiliates, Inc. will be held on Tuesday, April 23, 2002, at 9:30 a.m. at the Wyndham Greenspoint Hotel located at 12400 Greenspoint Drive in Houston, Texas. All stockholders are cordially invited to attend.

FORM 10-K

The Company's Annual Report on Form 10-K for the year ended December 31, 2001, as filed with the Securities and Exchange Commission, is included in this report. Additional copies are available without charge upon request by writing to the Chief Financial Officer, Noble Affiliates, Inc., 350 Glenborough Drive, Suite 100, Houston, Texas 77067, via the Company's Internet website: <http://www.nobleaff.com>, or via the Securities and Exchange Commission's Internet website: <http://www.sec.gov>.
