

NOBLE ENERGY INC

FORM 10-Q (Quarterly Report)

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

FORM 10-Q

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

For the quarterly period ended September 30, 2015

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: 001-07964



NOBLE ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1001 Noble Energy Way

Houston, Texas

(Address of principal executive offices)

73-0785597

(I.R.S. employer identification number)

77070

(Zip Code)

(281) 872-3100

(Registrant's telephone number, including area code)

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

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

Yes No

As of September 30, 2015, there were 428,554,158 shares of the registrant's common stock,
par value \$0.01 per share, outstanding.

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Part I. Financial Information
Item 1. Financial Statements
Noble Energy, Inc.
Consolidated Statements of Operations
(millions, except per share amounts)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues				
Oil, Gas and NGL Sales	\$ 765	\$ 1,228	\$ 2,227	\$ 3,893
Income from Equity Method Investees	36	41	60	138
Total	801	1,269	2,287	4,031
Costs and Expenses				
Production Expense	235	216	693	689
Exploration Expense	203	217	308	350
Depreciation, Depletion and Amortization	539	460	1,444	1,297
General and Administrative	109	132	308	399
Asset Impairments	—	33	43	164
Other Operating (Income) Expense, Net	182	(19)	252	(31)
Total	1,268	1,039	3,048	2,868
Operating Income (Loss)	(467)	230	(761)	1,163
Other (Income) Expense				
Gain on Commodity Derivative Instruments	(267)	(385)	(331)	(74)
Interest, Net of Amount Capitalized	71	52	183	151
Other Non-Operating (Income) Expense, Net	(12)	(13)	(20)	1
Total	(208)	(346)	(168)	78
Income (Loss) Before Income Taxes	(259)	576	(593)	1,085
Income Tax (Benefit) Provision	24	157	(180)	274
Net Income (Loss)	\$ (283)	\$ 419	\$ (413)	\$ 811
Earnings (Loss) Per Share, Basic				
	\$ (0.67)	\$ 1.16	\$ (1.05)	\$ 2.25
Earnings (Loss) Per Share, Diluted				
	\$ (0.67)	\$ 1.12	\$ (1.05)	\$ 2.21
Weighted Average Number of Shares Outstanding				
Basic	420	362	392	361
Diluted	420	367	392	367

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

Noble Energy, Inc.
Consolidated Statements of Comprehensive Income
(millions)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net Income (Loss)	\$ (283)	\$ 419	\$ (413)	\$ 811
Other Items of Comprehensive Income				
Net Change in Mutual Fund Investment	—	—	(11)	—
Less Tax Benefit	—	—	3	—
Net Change in Pension and Other	69	6	94	16
Less Tax Expense	(23)	(2)	(33)	(6)
Other Comprehensive Income	46	4	53	10
Comprehensive Income (Loss)	\$ (237)	\$ 423	\$ (360)	\$ 821

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

Noble Energy, Inc.
Consolidated Balance Sheets
(millions)
(unaudited)

	September 30, 2015	December 31, 2014
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,028	\$ 1,183
Accounts Receivable, Net	571	857
Commodity Derivative Assets, Current	650	710
Other Current Assets	281	325
Total Current Assets	2,530	3,075
Property, Plant and Equipment		
Oil and Gas Properties (Successful Efforts Method of Accounting)	30,456	25,599
Property, Plant and Equipment, Other	830	630
Total Property, Plant and Equipment, Gross	31,286	26,229
Accumulated Depreciation, Depletion and Amortization	(9,537)	(8,086)
Total Property, Plant and Equipment, Net	21,749	18,143
Goodwill	945	620
Other Noncurrent Assets	741	715
Total Assets	\$ 25,965	\$ 22,553
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable - Trade	\$ 1,297	\$ 1,578
Other Current Liabilities	795	944
Total Current Liabilities	2,092	2,522
Long-Term Debt	8,033	6,103
Deferred Income Taxes, Noncurrent	2,286	2,516
Other Noncurrent Liabilities	1,104	1,087
Total Liabilities	13,515	12,228
Commitments and Contingencies		
Shareholders' Equity		
Preferred Stock - Par Value \$1.00 per share; 4 Million Shares Authorized, None Issued	—	—
Common Stock - Par Value \$0.01 per share; 1 Billion and 500 Million Shares Authorized, respectively; 469 Million and 402 Million Shares Issued, respectively	5	4
Additional Paid in Capital	6,342	3,624
Accumulated Other Comprehensive Loss	(37)	(90)
Treasury Stock, at Cost; 38 Million Shares	(691)	(671)
Retained Earnings	6,831	7,458
Total Shareholders' Equity	12,450	10,325
Total Liabilities and Shareholders' Equity	\$ 25,965	\$ 22,553

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

Noble Energy, Inc.
Consolidated Statements of Cash Flows
(millions)
(unaudited)

	Nine Months Ended September 30,	
	2015	2014
Cash Flows From Operating Activities		
Net Income (Loss)	\$ (413)	\$ 811
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation, Depletion and Amortization	1,444	1,297
Asset Impairments	43	164
Dry Hole Cost	154	163
Deferred Income Tax (Benefit) Expense	(244)	61
Income (Loss) from Equity Method Investees, Net of Dividends	(4)	53
(Gain) Loss on Commodity Derivative Instruments	(331)	(74)
Net Cash Received (Paid) in Settlement of Commodity Derivative Instruments	683	(95)
Gain on Divestitures	—	(72)
Stock Based Compensation	69	67
Non-cash Pension Termination Expense	81	—
Other Adjustments for Noncash Items Included in Income	78	42
Changes in Operating Assets and Liabilities		
Decrease in Accounts Receivable	370	166
(Decrease) Increase in Accounts Payable	(248)	103
(Decrease) in Current Income Taxes Payable	(118)	21
Other Current Assets and Liabilities, Net	(28)	16
Other Operating Assets and Liabilities, Net	(50)	(20)
Net Cash Provided by Operating Activities	1,486	2,703
Cash Flows From Investing Activities		
Additions to Property, Plant and Equipment	(2,519)	(3,585)
Rosetta Merger	61	—
Additions to Equity Method Investments	(86)	(58)
Distribution from Equity Method Investee	—	156
Proceeds from Divestitures	151	312
Net Cash Used in Investing Activities	(2,393)	(3,175)
Cash Flows From Financing Activities		
Exercise of Stock Options	7	45
Excess Tax Benefits from Stock-Based Awards	2	18
Dividends Paid, Common Stock	(214)	(182)
Purchase of Treasury Stock	(20)	(15)
Proceeds from Issuance of Shares of Common Stock to Public, Net of Offering Costs	1,112	—
Proceeds from Credit Facility	—	900
Repayment of Credit Facility	(74)	—
Repayment of Senior Notes	(12)	(200)
Repayment of Capital Lease Obligation	(49)	(42)
Net Cash Provided by Financing Activities	752	524
Increase (Decrease) in Cash and Cash Equivalents	(155)	52
Cash and Cash Equivalents at Beginning of Period	1,183	1,117
Cash and Cash Equivalents at End of Period	\$ 1,028	\$ 1,169

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

Noble Energy, Inc.
Consolidated Statements of Shareholders' Equity
(millions)
(unaudited)

	Common Stock	Additional Paid in Capital	Accumulated Other Comprehensive Loss	Treasury Stock at Cost	Retained Earnings	Total Shareholders' Equity
December 31, 2014	\$ 4	\$ 3,624	\$ (90)	\$ (671)	\$ 7,458	\$ 10,325
Net Loss	—	—	—	—	(413)	(413)
Rosetta Merger	1	1,528	—	—	—	1,529
Stock-based Compensation	—	69	—	—	—	69
Exercise of Stock Options	—	7	—	—	—	7
Tax Benefits Related to Exercise of Stock Options	—	2	—	—	—	2
Dividends (54 cents per share)	—	—	—	—	(214)	(214)
Changes in Treasury Stock, Net	—	—	—	(20)	—	(20)
Issuance of Shares of Common Stock to Public, Net of Offering Costs	—	1,112	—	—	—	1,112
Net Change in Pension and Other	—	—	53	—	—	53
September 30, 2015	\$ 5	\$ 6,342	\$ (37)	\$ (691)	\$ 6,831	\$ 12,450
December 31, 2013	\$ 4	\$ 3,463	\$ (117)	\$ (659)	\$ 6,493	\$ 9,184
Net Income	—	—	—	—	811	811
Stock-based Compensation	—	67	—	—	—	67
Exercise of Stock Options	—	45	—	—	—	45
Tax Benefits Related to Exercise of Stock Options	—	18	—	—	—	18
Dividends (50 cents per share)	—	—	—	—	(182)	(182)
Changes in Treasury Stock, Net	—	—	—	(15)	—	(15)
Net Change in Pension and Other	—	—	10	—	—	10
September 30, 2014	\$ 4	\$ 3,593	\$ (107)	\$ (674)	\$ 7,122	\$ 9,938

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

Noble Energy, Inc.
Notes to Consolidated Financial Statements

Note 1. Organization and Nature of Operations

Noble Energy, Inc. (Noble Energy, we or us) is a leading independent energy company engaged in worldwide crude oil and natural gas exploration and production. Our core operating areas include onshore US, primarily in the DJ Basin, Eagle Ford Shale, Delaware Basin and Marcellus Shale, deepwater Gulf of Mexico, offshore Eastern Mediterranean, and offshore West Africa.

Note 2. Basis of Presentation

Presentation The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the US (US GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by US GAAP for complete financial statements. The accompanying consolidated financial statements at September 30, 2015 and December 31, 2014 and for the three and nine months ended September 30, 2015 and 2014 contain all normally recurring adjustments considered necessary for a fair presentation of our financial position, results of operations, cash flows and shareholders' equity for such periods. Certain prior-period amounts have been reclassified to conform to the current-period presentation. Operating results for the three and nine months ended September 30, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015 .

These consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2014 .

Consolidation Our consolidated accounts include our accounts and the accounts of our wholly-owned subsidiaries. In addition, we use the equity method of accounting for investments in entities that we do not control, but over which we exert significant influence. All significant intercompany balances and transactions have been eliminated upon consolidation.

Pension Plan In third quarter 2015, we completed the process of terminating our noncontributory, tax-qualified defined benefit pension plan through the purchase of annuities for the remaining participants. As a result, we expensed all remaining unamortized prior service costs and actuarial losses from accumulated other comprehensive loss (AOCL). For the nine months ended September 30, 2015, we have expensed \$88 million related to the termination of the plan. As of September 30, 2015, we have \$16 million remaining in AOCL related to our non-qualified defined benefit plan.

Equity Offerings On March 3, 2015, we closed an underwritten public offering of 21 million shares of common stock, par value \$0.01 per share, at a price of \$47.50 per share. In addition, on March 25, 2015, we completed the issuance of an additional 3.15 million shares of common stock, par value \$ 0.01 per share, in connection with the exercise of the option of the underwriters to purchase additional shares of common stock. The aggregate net proceeds of the offerings were approximately \$1.1 billion (after deducting underwriting discounts and commissions and offering expenses). We used approximately \$150 million of the net proceeds to repay outstanding indebtedness under our revolving credit facility and the remainder was used for general corporate purposes, including the funding of our capital investment program.

On July 20, 2015, we issued approximately 41 million shares of common stock in exchange for all outstanding shares of Rosetta Resources Inc. (Rosetta) using a ratio of 0.542 of a share of Noble Energy common stock for each share of Rosetta common stock. [See Note 3. Rosetta Merger](#) .

Increase in Authorized Shares On April 28, 2015, our stockholders approved an amendment to our Certificate of Incorporation to increase the number of authorized shares of our common stock from 500 million to 1 billion .

Estimates The preparation of consolidated financial statements in conformity with US GAAP requires us to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates. Management evaluates estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic and commodity price environment.

Update on Core Area – Israel The Israeli government has developed a framework (Framework) to support the development of offshore natural gas reserves and natural gas exports. After a public hearing process, the Framework was approved by the Israeli Cabinet and Knesset. Enactment of the Framework provides that certain antitrust matters will be resolved. Authority resides with the Minister of Economy to provide the stipulated exemption related to these antitrust matters. Legal challenges may still be brought against the Framework in the Israeli courts. We continue to monitor this effort and if necessary, we are prepared to defend our legal rights to our Israel assets to the fullest extent in both Israel and international venues.

Noble Energy, Inc.
Notes to Consolidated Financial Statements

The Framework requires divestiture of Tanin and Karish, and we, therefore, continue to hold these assets for sale. See [Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Executive Overview](#) for further discussion.

Recently Issued Accounting Standards In July 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2015-11 (ASU 2015-11): *Simplifying the Measurement of Inventory*, effective for annual and interim periods beginning after December 15, 2016. ASU 2015-11 changes the inventory measurement principle for entities using the first-in, first out (FIFO) or average cost methods. For entities utilizing one of these methods, the inventory measurement principle will change from lower of cost or market to the lower of cost and net realizable value. We follow the average cost method and are currently evaluating the provisions of ASU 2015-11 and assessing the impact, if any, it may have on our financial position and results of operations.

In April 2015, the FASB issued Accounting Standards Update No. 2015-03 (ASU 2015-03): *Simplifying the Presentation of Debt Issuance Costs*, effective for annual and interim periods beginning after December 15, 2015. ASU 2015-03 requires that all costs incurred to issue debt be presented in the balance sheet as a direct deduction from the carrying value of the debt. It is effective retrospectively for all prior periods presented in the financial statements beginning in the first quarter 2016 and is only expected to impact the presentation of our consolidated balance sheet. In August 2015, the FASB issued ASU 2015-15 to specifically address the presentation and subsequent measurement of debt issuance costs related to line-of-credit arrangements. ASU 2015-15 allows entities to defer and present debt issuance costs related to line-of-credit arrangements as an asset and amortize the costs ratably over the term of the line-of-credit arrangement. As of September 30, 2015 and December 31, 2014, we had \$49 million and \$50 million of capitalized, unamortized debt issuance costs, respectively, included in other long-term assets in our consolidated balance sheet.

In February 2015, the FASB issued Accounting Standards Update No. 2015-02 (ASU 2015-02): *Consolidation - Amendments to the Consolidation Analysis*, effective for annual and interim periods beginning after December 15, 2015. ASU 2015-02 changes the guidance as to whether an entity is a variable interest entity (VIE) or a voting interest entity and how related parties are considered in the VIE model. We are currently evaluating the provisions of ASU 2015-02 and assessing the impact, if any, it may have on our financial position and results of operations.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09 (ASU 2014-09), which creates Topic 606, *Revenue from Contracts with Customers*, and supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, including most industry-specific revenue recognition guidance throughout the Industry Topics of the Codification. In addition, ASU 2014-09 supersedes the cost guidance in Subtopic 605-35, Revenue Recognition - Construction-Type and Production-Type Contracts, and creates new Subtopic 340-40, Other Assets and Deferred Costs - Contracts with Customers. In summary, the core principle of Topic 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, ASU 2014-09 requires enhanced financial statement disclosures over revenue recognition as part of the new accounting guidance. Initially, the amendments in ASU 2014-09 were effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period, and early application was not permitted. In August 2015, the FASB agreed to give companies an extra year to comply with the new standard. The standard will be effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. We are currently evaluating the provisions of ASU 2014-09 and awaiting implementation guidance to determine the impact, if any, it may have on our financial position and results of operations.

Noble Energy, Inc.
Notes to Consolidated Financial Statements

Statements of Operations Information Other statements of operations information is as follows:

<i>(millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Production Expense				
Lease Operating Expense	\$ 133	\$ 132	\$ 419	\$ 424
Production and Ad Valorem Taxes	28	44	89	146
Transportation and Gathering Expense	74	40	185	119
Total	\$ 235	\$ 216	\$ 693	\$ 689
Other Operating (Income) Expense, Net				
Midstream Gathering and Processing (Income) Expense, Net	\$ 4	\$ 1	\$ 10	\$ 8
Corporate Restructuring Expense ⁽¹⁾	21	—	39	—
Stacked Drilling Rig Expense ⁽²⁾	13	—	20	—
Pension Plan Expense ⁽³⁾	67	—	88	—
Rosetta Merger Expenses ⁽⁴⁾	71	—	73	—
Gain on Divestitures	—	(30)	—	(72)
Other, Net	6	10	22	33
Total	\$ 182	\$ (19)	\$ 252	\$ (31)
Other Non-Operating (Income) Expense, Net				
Deferred Compensation (Income) Expense ⁽⁵⁾	\$ (13)	\$ (12)	\$ (19)	\$ —
Other (Income) Expense, Net	1	(1)	(1)	1
Total	\$ (12)	\$ (13)	\$ (20)	\$ 1

- ⁽¹⁾ Amount represents expenses associated with the relocation of our personnel. The expenses primarily include the relocation of our Ardmore, Oklahoma office, as well as the consolidation of our Houston personnel to our corporate headquarters in Houston.
- ⁽²⁾ Amount represents the day rate cost associated with drilling rigs under contract, but not currently being utilized in our US onshore drilling programs.
- ⁽³⁾ Amount includes the expensing of the actuarial loss from AOCL related to the termination and re-measurement of our defined benefit pension plan.
- ⁽⁴⁾ Amount represents expenses associated with the completion of the Rosetta Merger. [See Note 3, Rosetta Merger.](#)
- ⁽⁵⁾ Amounts represent decreases in the fair value of shares of our common stock held in a rabbi trust.

Noble Energy, Inc.
Notes to Consolidated Financial Statements

Balance Sheet Information Other balance sheet information is as follows:

<i>(millions)</i>	September 30, 2015	December 31, 2014
Accounts Receivable, Net		
Commodity Sales	\$ 284	\$ 405
Joint Interest Billings	166	297
Other	140	171
Allowance for Doubtful Accounts	(19)	(16)
Total	\$ 571	\$ 857
Other Current Assets		
Inventories, Materials and Supplies	\$ 116	\$ 81
Inventories, Crude Oil	28	24
Assets Held for Sale ⁽¹⁾	78	180
Prepaid Expenses and Other Current Assets	59	40
Total	\$ 281	\$ 325
Other Noncurrent Assets		
Investments in Unconsolidated Subsidiaries	\$ 427	\$ 325
Mutual Fund Investments	106	111
Commodity Derivative Assets	104	180
Other Assets	104	99
Total	\$ 741	\$ 715
Other Current Liabilities		
Production and Ad Valorem Taxes	\$ 165	\$ 110
Income Taxes Payable	60	180
Deferred Income Taxes, Current	86	158
Accrued Benefit Costs, Current	30	125
Asset Retirement Obligations	141	81
Interest Payable	119	70
Current Portion of Capital Lease Obligations	57	68
Other	137	152
Total	\$ 795	\$ 944
Other Noncurrent Liabilities		
Deferred Compensation Liabilities	\$ 229	\$ 218
Asset Retirement Obligations	746	670
Accrued Benefit Costs	17	24
Other	112	175
Total	\$ 1,104	\$ 1,087

⁽¹⁾ Assets held for sale at September 30, 2015 include our Tanin and Karish natural gas discoveries, offshore Israel. See *Update on Core Area – Israel*, above.

Note 3. Rosetta Merger

On July 20, 2015, Noble Energy completed the merger of Rosetta into a subsidiary of Noble Energy (Rosetta Merger). The results of Rosetta's operations since the merger date are included in our consolidated statement of operations. The merger was effected through the issuance of approximately 41 million shares of Noble Energy common stock in exchange for all outstanding shares of Rosetta using a ratio of 0.542 of a share of Noble Energy common stock for each share of Rosetta common stock and the assumption of Rosetta's liabilities, including approximately \$2 billion fair value of outstanding debt. The merger adds two new onshore US shale positions to our portfolio including approximately 50,000 net acres in the Eagle Ford Shale and 54,000 net acres in the Permian (45,000 acres in the Delaware Basin and 9,000 acres in the Midland Basin). In connection with the Rosetta Merger, we incurred merger-related costs of approximately \$73 million to date, including (i) \$58 million of severance, consulting, investment, advisory, legal and other merger-related fees, and (ii) \$15 million of noncash share-based compensation expense, all of which were expensed and are included in Other Operating (Income) Expense, Net.

Allocation of Purchase Price - The merger has been accounted for as a business combination, using the acquisition method. The following table represents the preliminary allocation of the total purchase price of Rosetta to the assets acquired and the

Noble Energy, Inc.
Notes to Consolidated Financial Statements

liabilities assumed based on the fair value at the merger date, with any excess of the purchase price over the estimated fair value of the identifiable net assets acquired recorded as goodwill. Certain data necessary to complete the purchase price allocation is not yet available, and includes, but is not limited to, valuation of pre-merger contingencies, final tax returns that provide the underlying tax basis of Rosetta's assets and liabilities, and final appraisals of assets acquired and liabilities assumed. We expect to complete the purchase price allocation during the 12-month period following the merger date, in line with the acquisition method of accounting, during which time the value of the assets and liabilities, including any goodwill, may be revised as appropriate.

The following table sets forth our preliminary purchase price allocation:

	(in millions, except stock price)	
Shares of Noble Energy common stock issued to Rosetta shareholders		41
Noble Energy common stock price on July 20, 2015	\$	36.97
Fair value of common stock issued	\$	1,516
Plus: fair value of Rosetta's restricted stock awards and performance awards assumed		11
Plus: Rosetta stock options assumed		1
Total purchase price		1,528
Plus: liabilities assumed by Noble Energy		
Accounts Payable		96
Current Liabilities		37
Long-Term Debt		1,992
Other Long Term Liabilities		24
Asset Retirement Obligation		27
Total purchase price plus liabilities assumed	\$	3,704
Fair Value of Rosetta Assets		
Cash and Equivalents	\$	61
Other Current Assets		74
Derivative Instruments		209
Oil and Gas Properties:		
Proved Reserves		1,541
Undeveloped Leaseholds		1,165
Gathering & Processing Assets		207
Asset Retirement		27
Other Property Plant & Equipment		5
Long Term Deferred Tax Asset		86
Implied Goodwill		329
Total Asset Value	\$	3,704

The fair value measurements of derivative instruments assumed were determined based on published forward commodity price curves as of the date of the merger and represent Level 2 inputs. Derivative instruments in an asset position include a measure of counterparty nonperformance risk, and the fair values of commodity derivative instruments in a liability position include a measure of our own nonperformance risk, each based on the current published credit default swap rates. The fair value measurements of long-term debt were estimated based on published market prices and represent Level 1 inputs.

The fair value measurements of oil and natural gas properties and asset retirement obligations are based on inputs that are not observable in the market and therefore represent Level 3 inputs. The fair values of oil and natural gas properties and asset retirement obligations were measured using valuation techniques that convert future cash flows to a single discounted amount. Significant inputs to the valuation of oil and natural gas properties included estimates of: (i) recoverable reserves; (ii) production rates; (iii) future operating and development costs; (iv) future commodity prices; and (v) a market-based weighted average cost of capital rate. These inputs required significant judgments and estimates by management at the time of the valuation and are the most sensitive and may be subject to change.

Noble Energy, Inc.
Notes to Consolidated Financial Statements

The results of operations attributable to Rosetta are included in our consolidated statement of operations beginning on July 21, 2015. Revenues of \$81 million and pre-tax net income of \$43 million from Rosetta were generated from July 21, 2015 to September 30, 2015.

Proforma Financial Information - The following pro forma condensed combined financial information was derived from the historical financial statements of Noble Energy and Rosetta and gives effect to the merger as if it had occurred on January 1, 2014. The below information reflects pro forma adjustments based on available information and certain assumptions that we believe are reasonable, including (i) Noble Energy's common stock and equity awards issued to convert Rosetta's outstanding shares of common stock and equity awards as of the closing date of the merger, (ii) adjustments to conform Rosetta's historical policy of accounting for its oil and natural gas properties from the full cost method to the successful efforts method of accounting, (iii) depletion of Rosetta's fair-valued proved oil and gas properties, and (iv) the estimated tax impacts of the pro forma adjustments. Additionally, pro forma earnings for the three and nine months ended September 30, 2015 were adjusted to exclude \$71 million and \$73 million, respectively, of merger-related costs incurred by Noble Energy and \$32 million and \$37 million, respectively, incurred by Rosetta. The pro forma results of operations do not include any cost savings or other synergies that may result from the Rosetta Merger or any estimated costs that have been or will be incurred by us to integrate the Rosetta assets. The pro forma condensed combined financial information has been included for comparative purposes and is not necessarily indicative of the results that might have actually occurred had the Rosetta Merger taken place on January 1, 2014; furthermore, the financial information is not intended to be a projection of future results.

<i>(in millions, except per share amounts)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues	\$ 828	\$ 1,557	\$ 2,582	\$ 4,828
Net income	\$ (202)	\$ 542	\$ (338)	\$ 1,039
Earnings per share:				
Basic	\$ (0.44)	\$ 1.37	\$ (0.79)	\$ 2.63
Diluted	\$ (0.44)	\$ 1.35	\$ (0.79)	\$ 2.59

Note 4. Divestitures

Onshore US Properties During the first nine months of 2015, we sold certain onshore US crude oil and natural gas properties, generating net proceeds of \$151 million. Proceeds were primarily applied to the DJ Basin depletable field, with no recognition of gain or loss, other than a de minimis gain in second quarter 2015.

During the first nine months of 2014, we sold certain non-core onshore US crude oil and natural gas properties. The information regarding the assets sold is as follows:

<i>(millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014		2014	
Sales Proceeds	\$	16	\$	126
Less				
Net Book Value of Assets Sold		—		(118)
Goodwill Allocated to Assets Sold		(1)		(7)
Asset Retirement Obligations Associated with Assets Sold		14		34
Other Closing Adjustments		1		2
Gain on Divestitures	\$	30	\$	37

China Sale On June 30, 2014, we closed the sale of our China assets. We determined the sale of our China assets did not meet the criteria for discontinued operations presentation. The information regarding the China assets sold is as follows:

<i>(millions)</i>	Nine Months Ended September 30,	
	2014	
Sales Proceeds	\$	186
Less		
Net Book Value of Assets Sold		(149)
Other Closing Adjustments		(2)
Gain on Divestiture	\$	35

Note 5. Asset Impairments

Pre-tax (non-cash) asset impairment charges were as follows:

<i>(millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
US Properties, Primarily Shelf and Deepwater Gulf of Mexico	\$ —	\$ 2	\$ 11	\$ 56
Eastern Mediterranean	—	31	32	14
North Sea	—	—	—	94
Total	\$ —	\$ 33	\$ 43	\$ 164

Impairments for 2015 are primarily related to revisions in expected field abandonment or other costs at South Raton and Lorien (Deepwater Gulf of Mexico) and the Noa and Pinnacles fields (Eastern Mediterranean).

Impairments for 2014 were primarily related to an increase in expected field abandonment costs and a change in the timing of abandonment activities at the North Sea MacCulloch field.

[See Note 2. Basis of Presentation](#), [Note 8. Fair Value Measurements and Disclosures](#) and [Note 10. Asset Retirement Obligations](#).

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Note 6. Derivative Instruments and Hedging Activities

Objective and Strategies for Using Derivative Instruments We are exposed to fluctuations in crude oil and natural gas prices. In order to mitigate the effect of commodity price volatility and enhance the predictability of cash flows relating to the marketing of our global crude oil and domestic natural gas, we enter into crude oil and natural gas price hedging arrangements.

While these instruments mitigate the cash flow risk of future decreases in commodity prices, they may also curtail benefits from future increases in commodity prices. [See Note 8. Fair Value Measurements and Disclosures](#) for a discussion of methods and assumptions used to estimate the fair values of our derivative instruments.

Unsettled Commodity Derivative Instruments As of September 30, 2015, the following crude oil derivative contracts were outstanding:

Settlement Period	Type of Contract	Index	Bbls Per Day	Swaps		Collars	
				Weighted Average Fixed Price	Weighted Average Short Put Price	Weighted Average Floor Price	Weighted Average Ceiling Price
2015	Swaps	NYMEX WTI	27,000	\$ 88.80	\$ —	\$ —	\$ —
2015	Swaps	Dated Brent	8,000	100.31	—	—	—
2015	Swaps ⁽¹⁾	⁽²⁾	12,000	89.81	—	—	—
2015	Two-Way Collars	NYMEX WTI	5,000	—	—	50.00	64.94
2015	Two-Way Collars ⁽¹⁾	⁽²⁾	8,000	—	—	55.00	84.80
2015	Three-Way Collars	NYMEX WTI	20,000	—	70.50	87.55	94.41
2015	Three-Way Collars	Dated Brent	13,000	—	76.92	96.00	108.49
1H16 ⁽⁴⁾	Swaps	NYMEX WTI	15,000	70.31	—	—	—
2H16 ⁽⁴⁾	Swaps	NYMEX WTI	12,000	74.47	—	—	—
2016	Swaps	Dated Brent	9,000	97.96	—	—	—
2016	Swaps ⁽¹⁾	⁽²⁾	6,000	90.28	—	—	—
2016	Two -Way Collars	NYMEX WTI	1,000	—	—	60.00	70.00
2016	Three-Way Collars	NYMEX WTI	6,000	—	61.00	72.50	86.37
2016	Three-Way Collars	Dated Brent	8,000	—	72.50	86.25	101.79
2H16 ⁽⁴⁾	Call ⁽³⁾	NYMEX WTI	3,000	—	—	—	53.65
2017	Call ⁽³⁾	NYMEX WTI	3,000	—	—	—	57.00

⁽¹⁾ Includes derivative instruments assumed by our subsidiary, NBL Texas, LLC, in connection with the Rosetta Merger.

⁽²⁾ The index for these derivative instruments is NYMEX WTI and Argus LLS indices.

⁽³⁾ We have entered into crude oil derivative enhanced swaps with strike prices that are above the market value as of trade commencement. To effect the enhanced swap structure, we sold call options to the applicable counterparty to receive the above market terms.

⁽⁴⁾ We have entered into NYMEX WTI swap contracts for 3,000 Bbls per day for the first half of 2016 resulting in the difference in hedge volumes for the full year.

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As of September 30, 2015, the following natural gas derivative contracts were outstanding:

Settlement Period	Type of Contract	Index	MMBtu Per Day	Swaps		Collars		
				Weighted Average Fixed Price	Weighted Average Short Put Price	Weighted Average Floor Price	Weighted Average Ceiling Price	
2015	Swaps	NYMEX HH	140,000	\$ 4.30	\$ —	\$ —	\$ —	—
2015	Swaps ⁽¹⁾	⁽²⁾	50,000	\$ 4.13	\$ —	\$ —	\$ —	—
2015	Three-Way Collars	NYMEX HH	150,000	—	3.58	4.25	5.04	—
2015	Two-Way Collars ⁽¹⁾	⁽²⁾	50,000	—	—	3.60	5.04	—
2016	Swaps ⁽³⁾	NYMEX HH	40,000	3.60	—	—	—	—
2016	Swaps ⁽¹⁾	⁽²⁾	30,000	4.04	—	—	—	—
2016	Two-Way Collars	NYMEX HH	30,000	—	—	3.00	3.50	5.60
2016	Two-Way Collars ⁽¹⁾	⁽²⁾	30,000	—	—	3.50	5.60	—
2016	Three-Way Collars	NYMEX HH	90,000	—	2.83	3.42	3.90	—

⁽¹⁾ Includes derivative instruments assumed by our subsidiary, NBL Texas, LLC, in connection with the Rosetta Merger.

⁽²⁾ The index for these derivative instruments includes a combination of Houston Ship Channel and Tennessee Zone 0 indices.

⁽³⁾ We have entered into certain natural gas derivative contracts (swaptions), which give counterparties the option to extend for an additional 12-month period. Options covering a notional volume of 30,000 MMBtu/d are exercisable on December 22 and 23, 2016. If the counterparties exercise all such options, the notional volume of our existing natural gas derivative contracts will increase by 30,000 MMBtu/d at an average price of \$ 3.50 per MMBtu for each month during the period January 1, 2017 through December 31, 2017.

As of September 30, 2015, we had assumed the following natural gas liquid derivative instruments, all of which were assumed by our subsidiary, NBL Texas, LLC, in connection with the Rosetta Merger. The index for these derivative instruments is the Mont Belvieu index.

Settlement Period	Type of Contract	Index	Gallons Per Day	Swaps		Collars		
				Weighted Average Fixed Price	Weighted Average Short Put Price	Weighted Average Floor Price	Weighted Average Ceiling Price	
2015	Swaps	NGL-Ethane	104,000	\$ 0.27	\$ —	\$ —	\$ —	—
2015	Swaps	NGL-Propane	73,500	1.03	—	—	—	—
2015	Swaps	NGL-Isobutane	25,900	1.26	—	—	—	—
2015	Swaps	NGL-Normal Butane	24,300	1.25	—	—	—	—
2015	Swaps	NGL-Pentanes Plus	24,300	1.85	—	—	—	—

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Fair Value Amounts and (Gain) Loss on Commodity Derivative Instruments The fair values of commodity derivative instruments in our consolidated balance sheets were as follows:

<i>(millions)</i>	Fair Value of Derivative Instruments							
	Asset Derivative Instruments				Liability Derivative Instruments			
	September 30, 2015		December 31, 2014		September 30, 2015		December 31, 2014	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Commodity Derivative Instruments	Current Assets	\$ 650	Current Assets	\$ 710	Current Liabilities	\$ —	Current Liabilities	\$ —
	Noncurrent Assets	104	Noncurrent Assets	180	Noncurrent Liabilities	6	Noncurrent Liabilities	—
Total		\$ 754		\$ 890		\$ 6		\$ —

The effect of commodity derivative instruments on our consolidated statements of operations was as follows:

<i>(millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Cash (Received) Paid in Settlement of Commodity Derivative Instruments				
Crude Oil	\$ (235)	\$ 14	\$ (578)	\$ 87
Natural Gas	(42)	(2)	(98)	8
NGLs	(7)	—	(7)	—
Total Cash (Received) Paid in Settlement of Commodity Derivative Instruments	(284)	12	(683)	95
Non-cash Portion of (Gain) Loss on Commodity Derivative Instruments				
Crude Oil	4	(374)	301	(155)
Natural Gas	3	(23)	41	(14)
NGLs	10	—	10	—
Total Non-cash Portion of (Gain) Loss on Commodity Derivative Instruments	17	(397)	352	(169)
(Gain) Loss on Commodity Derivative Instruments				
Crude Oil	(231)	(360)	(277)	(68)
Natural Gas	(39)	(25)	(57)	(6)
NGLs	3	—	3	—
Total (Gain) Loss on Commodity Derivative Instruments	\$ (267)	\$ (385)	\$ (331)	\$ (74)

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Note 7. Debt

Debt consists of the following:

<i>(millions, except percentages)</i>	September 30, 2015		December 31, 2014	
	Debt	Interest Rate	Debt	Interest Rate
Credit Facility, due August 27, 2020	\$ —	—%	\$ —	—%
Capital Lease and Other Obligations	424	—%	413	—%
8.25% Senior Notes, due March 1, 2019	1,000	8.25%	1,000	8.25%
5.625% Senior Notes, due May 1, 2021	693	5.625%	—	—%
4.15% Senior Notes, due December 15, 2021	1,000	4.15%	1,000	4.15%
5.875% Senior Notes, due June 1, 2022	597	5.875%	—	—%
7.25% Senior Notes, due October 15, 2023	100	7.25%	100	7.25%
5.875% Senior Notes, due June 1, 2024	499	5.875%	—	—%
3.90% Senior Notes, due November 15, 2024	650	3.90%	650	3.90%
8.00% Senior Notes, due April 1, 2027	250	8.00%	250	8.00%
6.00% Senior Notes, due March 1, 2041	850	6.00%	850	6.00%
5.25% Senior Notes, due November 15, 2043	1,000	5.25%	1,000	5.25%
5.05% Senior Notes, due November 15, 2044	850	5.05%	850	5.05%
7.25% Senior Debentures, due August 1, 2097	84	7.25%	84	7.25%
Total	7,997		6,197	
Unamortized Discount	(25)		(26)	
Unamortized Premium	118		—	
Total Debt, Net of Unamortized Discount and Premium	8,090		6,171	
Less Amounts Due Within One Year				
Capital Lease Obligations	(57)		(68)	
Long-Term Debt Due After One Year	\$ 8,033		\$ 6,103	

Credit Facility Our Credit Agreement provides for a \$4.0 billion unsecured revolving credit facility (Credit Facility), which is available for general corporate purposes. The Credit Facility (i) provides for facility fee rates that range from 10 basis points to 25 basis points per year depending upon our credit rating, (ii) includes sub-facilities for short-term loans and letters of credit up to an aggregate amount of \$500 million under each sub-facility and (iii) provides for interest rates that are based upon the Eurodollar rate plus a margin that ranges from 90 basis points to 150 basis points depending upon our credit rating. On August 27, 2015, we entered into the Second Amendment to Credit Agreement (Second Amendment) with JPMorgan Chase Bank, N.A., as administrative agent, and the other commercial lending institutions party thereto. The Second Amendment extended the maturity date of the Credit Agreement, among other things, from October 3, 2018 to August 27, 2020 .

Debt Exchange On July 29, 2015, we completed our debt exchange offers to exchange all validly tendered and accepted senior notes assumed in the Rosetta Merger. We were able to exchange 99.4% of the outstanding Rosetta senior notes, whereby we issued (i) \$693 million senior unsecured 5.625% notes due May 1, 2021 , (ii) \$597 million senior unsecured 5.875% notes due June 1, 2022 and (iii) \$499 million senior unsecured 5.875% notes due June 1, 2024 .

[See Note 8. Fair Value Measurements and Disclosures](#) for a discussion of methods and assumptions used to estimate the fair values of debt.

Note 8. Fair Value Measurements and Disclosures

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Certain assets and liabilities are measured at fair value on a recurring basis in our consolidated balance sheets. The following methods and assumptions were used to estimate the fair values:

Cash, Cash Equivalents, Accounts Receivable and Accounts Payable The carrying amounts approximate fair value due to the short-term nature or maturity of the instruments.

Mutual Fund Investments Our mutual fund investments, which primarily include assets held in a rabbi trust, consist of various publicly-traded mutual funds that include investments ranging from equities to money market instruments. The fair values are based on quoted market prices for identical assets.

Commodity Derivative Instruments Our commodity derivative instruments may include variable to fixed price commodity swaps, two-way collars, three-way collars, swaptions and extendable swaps. Commodity derivative contracts were valued by a

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third party provider to estimate the fair values of these instruments using published forward commodity price curves as of the date of the estimate. The discount rate used in the discounted cash flow projections is based on published LIBOR rates, Eurodollar futures rates and interest swap rates. The fair values of commodity derivative instruments in an asset position include a measure of counterparty nonperformance risk, and the fair values of commodity derivative instruments in a liability position include a measure of our own nonperformance risk, each based on the current published credit default swap rates. In addition, for collars, we estimate the option values of the put options sold and the contract floors and ceilings using an option pricing model which takes into account market volatility, market prices and contract terms. [See Note 6. Derivative Instruments and Hedging Activities.](#)

Deferred Compensation Liability The value is dependent upon the fair values of mutual fund investments and shares of our common stock held in a rabbi trust. See *Mutual Fund Investments* above.

Measurement information for assets and liabilities that are measured at fair value on a recurring basis was as follows:

	Fair Value Measurements Using				Fair Value Measurement
	Quoted Prices in Active Markets (Level 1) ⁽¹⁾	Significant Other Observable Inputs (Level 2) ⁽²⁾	Significant Unobservable Inputs (Level 3) ⁽³⁾	Adjustment ⁽⁴⁾	
<i>(millions)</i>					
September 30, 2015					
Financial Assets					
Mutual Fund Investments	\$ 106	\$ —	\$ —	\$ —	\$ 106
Commodity Derivative Instruments	—	759	—	(5)	754
Financial Liabilities					
Commodity Derivative Instruments	—	(11)	—	5	(6)
Portion of Deferred Compensation Liability Measured at Fair Value	(111)	—	—	—	(111)
December 31, 2014					
Financial Assets					
Mutual Fund Investments	\$ 111	\$ —	\$ —	\$ —	\$ 111
Commodity Derivative Instruments	—	890	—	—	890
Financial Liabilities					
Commodity Derivative Instruments	—	—	—	—	—
Portion of Deferred Compensation Liability Measured at Fair Value	(134)	—	—	—	(134)

- ⁽¹⁾ Level 1 measurements are fair value measurements which use quoted market prices (unadjusted) in active markets for identical assets or liabilities. We use Level 1 inputs when available as Level 1 inputs generally provide the most reliable evidence of fair value.
- ⁽²⁾ Level 2 measurements are fair value measurements which use inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- ⁽³⁾ Level 3 measurements are fair value measurements which use unobservable inputs.
- ⁽⁴⁾ Amount represents the impact of netting provisions within our master agreements that allow us to net cash settle asset and liability positions with the same counterparty.

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Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis in our consolidated balance sheets. The following methods and assumptions were used to estimate the fair values:

Asset Impairments Information about impaired assets is as follows:

Description	Fair Value Measurements Using			Net Book Value ⁽¹⁾	Total Pre-tax (Non-cash) Impairment Loss
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
<i>millions</i>					
Three Months Ended September 30, 2015					
Impaired Oil and Gas Properties	\$ —	\$ —	\$ —	\$ —	\$ —
Three Months Ended September 30, 2014					
Impaired Oil and Gas Properties	—	—	9	42	33
Nine Months Ended September 30, 2015					
Impaired Oil and Gas Properties	\$ —	\$ —	\$ —	\$ 43	\$ 43
Nine Months Ended September 30, 2014					
Impaired Oil and Gas Properties	—	—	23	187	164

⁽¹⁾ Amount represents net book value at the date of assessment.

The fair value of impaired oil and gas properties was determined as of the date of the assessment using a discounted cash flow model based on management's expectations of future crude oil and natural gas production prior to abandonment date, commodity prices based on NYMEX WTI, NYMEX Henry Hub, and Brent future price curves as of the date of the estimate, estimated operating and abandonment costs, and a risk-adjusted discount rate. Impairments for the first nine months of 2015 were due primarily to increases in asset carrying values associated with increases in estimated field abandonment costs. [See Note 5. Asset Impairments.](#)

Goodwill As of September 30, 2015, we had allocated \$945 million of goodwill to our US reporting unit, including goodwill associated with the Rosetta Merger, which may be revised as we complete our purchase price allocation for that transaction. We assess goodwill for impairment annually during the fourth quarter, or more frequently as circumstances require, at the reporting unit level. At September 30, 2015, we performed a qualitative assessment by examining relevant events and circumstances that could have a negative impact on our goodwill, such as: macroeconomic conditions; industry and market conditions, including current commodity prices; earnings and cash flows; overall financial performance; segment dispositions and acquisitions; and other relevant entity-specific events. Based upon our qualitative assessment of these circumstances, we concluded that a full impairment test was warranted. Accordingly, we estimated the fair value of our US reporting unit using a combination of the income approach and the market approach. We then estimated the implied fair value of goodwill based upon this valuation analysis. These procedures indicated no impairment at September 30, 2015.

Additional Fair Value Disclosures

Debt The fair value of public, fixed-rate debt is estimated based on the published market prices for the same or similar issues. As such, we consider the fair value of our public, fixed-rate debt to be a Level 1 measurement on the fair value hierarchy.

Fair value information regarding our debt is as follows:

<i>(millions)</i>	September 30, 2015		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Total Debt, Net of Unamortized Discount and Premium ⁽¹⁾	\$ 7,666	\$ 7,497	\$ 5,758	\$ 6,179

⁽¹⁾ Excludes capital lease obligations.

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Note 9. Capitalized Exploratory Well Costs

We capitalize exploratory well costs until a determination is made that the well has found proved reserves or is deemed noncommercial. On a quarterly basis, we review the status of suspended exploratory well costs and assess the development of these projects. If a well is deemed to be noncommercial, the well costs are charged to exploration expense as dry hole cost.

Changes in capitalized exploratory well costs are as follows and exclude amounts that were capitalized and subsequently expensed in the same period:

<i>(millions)</i>	Nine Months Ended September 30, 2015	
Capitalized Exploratory Well Costs, Beginning of Period	\$	1,337
Additions to Capitalized Exploratory Well Costs Pending Determination of Proved Reserves		123
Reclassified to Proved Oil and Gas Properties Based on Determination of Proved Reserves		(24)
Capitalized Exploratory Well Costs Charged to Expense ⁽¹⁾		(23)
Capitalized Exploratory Well Costs, End of Period	\$	1,413

⁽¹⁾ Relates primarily to onshore US exploration activity.

The following table provides an aging of capitalized exploratory well costs based on the date that drilling commenced, and the number of projects that have been capitalized for a period greater than one year:

<i>(millions)</i>	September 30, 2015		December 31, 2014	
Exploratory Well Costs Capitalized for a Period of One Year or Less	\$	154	\$	247
Exploratory Well Costs Capitalized for a Period Greater Than One Year Since Commencement of Drilling		1,259		1,090
Balance at End of Period	\$	1,413	\$	1,337
Number of Projects with Exploratory Well Costs That Have Been Capitalized for a Period Greater Than One Year Since Commencement of Drilling		14		13

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The following table includes exploratory well costs that have been capitalized for a period greater than one year since the commencement of drilling as of September 30, 2015 :

<i>(millions)</i>	Total by Project	Progress
Country/Project:		
Onshore US		
Northeast Nevada	\$ 40	Analyzing results from our first four exploratory vertical wells, and evaluating potential for production tests.
Deepwater Gulf of Mexico		
Katmai	80	Anticipate drilling an appraisal well in 2016 to test the resource potential of this 2014 crude oil discovery.
Troubadour	48	Evaluating development scenarios for this 2013 natural gas discovery including subsea tieback to existing infrastructure.
Offshore Equatorial Guinea (Blocks O and I)		
Diega/Carmen	236	Evaluating regional development scenarios for this 2008 crude oil discovery. We drilled subsequent appraisal wells. During 2014, we conducted additional seismic activity over Blocks O and I and are engaged in processing the newly-acquired seismic data to determine an appropriate development plan.
Carla	170	Evaluating regional development scenarios for this 2011 crude oil discovery. We drilled subsequent appraisal wells. During 2014, we conducted additional seismic activity over Blocks O and I and are engaged in processing the newly-acquired seismic data.
Felicita/Yolanda	59	Evaluating regional development plans for these 2008/2007 condensate and natural gas discoveries. Natural gas development teams are working with the governments of Equatorial Guinea and Cameroon to evaluate natural gas monetization options and finalize data exchange agreements between the two countries.
Offshore Cameroon		
YoYo	49	Working with the government to assess commercialization of this 2007 condensate and natural gas discovery. A natural gas development team is working with the governments of Equatorial Guinea and Cameroon to evaluate natural gas monetization options and finalize a data exchange agreement between the two countries.
Offshore Israel ⁽¹⁾		
Leviathan	190	During 2014, we received the Leviathan Development and Production Leases, submitted a development plan to the Israeli government, completed substantial engineering and pre-procurement activities and are currently negotiating natural gas marketing contracts in anticipation of the pending enactment of the Framework.
Leviathan-1 Deep	81	Well did not reach the target interval; developing future drilling plans to test this deep oil concept, which is held by the Leviathan Development and Production Leases. We are working on potential well design and placement.

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Dalit	29	Submitted a development plan to the Israeli government to develop this 2009 natural gas discovery as a tie-in to existing infrastructure.
Dolphin 1	26	Reviewing regional development scenarios for this 2011 natural gas discovery, including a potential tieback to Leviathan. We have applied to the Israeli government for a commerciality ruling.
Offshore Cyprus		
Cyprus	210	Submitted a Declaration of Commerciality and a Preliminary Development Plan for Block 12 with the government of Cyprus. We have received approval of the extension request for our exploration obligation well from the government of Cyprus.
Other		
Individual Projects Less than \$20 million	41	Continuing to drill and evaluate wells.
Total	\$ 1,259	

⁽¹⁾We are currently working to resolve antitrust and other regulatory matters with the Israeli government to enable Leviathan and other developments to move forward. See *Note 2. Basis of Presentation – Update on Core Area – Israel*.

Note 10. Asset Retirement Obligations

Asset retirement obligations (ARO) consist primarily of estimated costs of dismantlement, removal, site reclamation and similar activities associated with our oil and gas properties. Changes in ARO are as follows:

<i>(millions)</i>	Nine Months Ended September 30,	
	2015	2014
Asset Retirement Obligations, Beginning Balance	\$ 751	\$ 586
Liabilities Incurred	54	38
Liabilities Settled	(29)	(77)
Revision of Estimate	79	123
Accretion Expense ⁽¹⁾	32	28
Asset Retirement Obligations, Ending Balance	\$ 887	\$ 698

⁽¹⁾ Accretion expense is included in DD&A expense in the consolidated statements of operations.

For the nine months ended September 30, 2015

Liabilities incurred were due to new wells and facilities for onshore US and deepwater Gulf of Mexico as well as liabilities assumed by us in the Rosetta Merger. Liabilities settled relate primarily to non-core, onshore US properties sold.

Revisions of estimates relate to changes in cost estimates and included \$43 million for Eastern Mediterranean and \$28 million for DJ Basin.

For the nine months ended September 30, 2014

Liabilities incurred were due to new wells and facilities for onshore US, deepwater Gulf of Mexico, and Eastern Mediterranean. Liabilities settled primarily related to onshore US property abandonments and non-core, onshore US assets sold.

Revisions of estimates included \$67 million for the North Sea McCulloch field due to an increase in costs and a change in timing. [See Note 5. Asset Impairments](#). Additional revisions of \$21 million for DJ Basin, \$16 million for Equatorial Guinea, \$9 million for Eastern Mediterranean, and \$9 million for deepwater Gulf of Mexico were due to changes in cost and timing estimates.

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Note 11. Earnings Per Share

Basic earnings per share of common stock is computed using the weighted average number of shares of common stock outstanding during each period. The diluted earnings per share of common stock include the effect of outstanding stock options, shares of restricted stock, or shares of our common stock held in a rabbi trust (when dilutive). The following table summarizes the calculation of basic and diluted earnings per share:

<i>(millions, except per share amounts)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net Income (Loss)	\$ (283)	\$ 419	\$ (413)	\$ 811
Earnings Adjustment from Assumed Conversion of Dilutive Shares of Common Stock in Rabbi Trust ⁽²⁾	—	(8)	—	—
Net Income (Loss) Used for Diluted Earnings Per Share Calculation	\$ (283)	\$ 411	\$ (413)	\$ 811
Weighted Average Number of Shares Outstanding, Basic ⁽¹⁾	420	362	392	361
Incremental Shares from Assumed Conversion of Dilutive Stock Options, Restricted Stock, and Shares of Common Stock in Rabbi Trust ⁽²⁾	—	5	—	6
Weighted Average Number of Shares Outstanding, Diluted	420	367	392	367
Earnings (Loss) Per Share, Basic	\$ (0.67)	\$ 1.16	\$ (1.05)	\$ 2.25
Earnings (Loss) Per Share, Diluted	(0.67)	1.12	(1.05)	2.21
Number of Antidilutive Stock Options, Shares of Restricted Stock, and Shares of Common Stock in Rabbi Trust Excluded from Calculation Above	14	2	11	3

⁽¹⁾ The weighted average number of shares outstanding includes the weighted average shares of common stock issued in connection with the underwritten public offering of 24.15 million shares of Noble Energy common stock in first quarter 2015 and issued in connection with the exchange of approximately 41 million shares for all outstanding shares of Rosetta common stock on July 20, 2015.

⁽²⁾ For the three and nine months ended September 30, 2015, all outstanding options and non-vested restricted shares have been excluded from the calculation of diluted EPS as Noble Energy incurred losses. Therefore, inclusion of outstanding options and non-vested restricted shares in the calculation of diluted EPS would be anti-dilutive. Consistent with GAAP, when dilutive, deferred compensation gains or losses, net of tax, are excluded from net income while our common shares held in the rabbi trust are included in the diluted share count. For this reason, the diluted earnings per share calculations for the three months ended September 30, 2014 excluded deferred compensation (gains) losses, net of tax. The deferred compensation loss, net of tax, excluded for the calculation of diluted earnings per share for the nine months ended September 30, 2014 was de minimis.

Note 12. Income Taxes

The income tax provision relating to continuing operations consists of the following:

<i>(millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Current	\$ (45)	\$ 120	\$ 64	\$ 213
Deferred	69	37	(244)	61
Total Income Tax (Benefit) Provision	\$ 24	\$ 157	\$ (180)	\$ 274
Effective Tax Rate	(9.3)%	27.2%	30.4%	25.3%

At the end of each interim period, we apply our best estimate of our effective tax rate (ETR) expected to be applicable for the full year, which can result in interim ETR fluctuations. Our ETR for the three and nine months ended September 30, 2015 varied as compared with the three and nine months ended September 30, 2014 primarily as a result of a tax benefit. In the case of a pre-tax loss, our favorable permanent differences, such as income from equity method investees and increased earnings in our foreign jurisdictions with rates that vary from the US statutory rate, have the effect of increasing the tax benefit which, in turn, increases the ETR. In our major tax jurisdictions, the earliest years remaining open to examination are as follows: US – 2012, Equatorial Guinea – 2010 and Israel – 2010.

Noble Energy, Inc.
Notes to Consolidated Financial Statements

Note 13. Segment Information

We have operations throughout the world and manage our global operations by country. The following information is grouped into four components that are all in the business of crude oil and natural gas exploration, development, production, and acquisition: the United States; West Africa (Equatorial Guinea, Cameroon, Gabon, and Sierra Leone, (which we have exited); Eastern Mediterranean (Israel and Cyprus); and Other International and Corporate. Other International includes the North Sea, China (through June 30, 2014), Falkland Islands, Nicaragua (which we have exited) and new ventures.

<i>(millions)</i>	Consolidated	United States	West Africa	Eastern Mediterranean	Other Int'l & Corporate
Three Months Ended September 30, 2015					
Revenues from Third Parties	\$ 765	\$ 492	\$ 120	\$ 152	\$ 1
Income (Loss) from Equity Method Investees	36	16	20	—	—
Total Revenues	801	508	140	152	1
DD&A	539	437	67	22	13
(Gain) Loss on Commodity Derivative Instruments	(267)	(187)	(80)	—	—
Income (Loss) Before Income Taxes	(259)	(189)	98	107	(275)
Three Months Ended September 30, 2014					
Revenues from Third Parties	\$ 1,228	\$ 819	\$ 269	\$ 138	\$ 2
Income from Equity Method Investees	41	—	41	—	—
Total Revenues	1,269	819	310	138	2
DD&A	460	351	70	17	22
Gain on Divestitures	(30)	(30)	—	—	—
Asset Impairments	33	33	—	—	—
(Gain) Loss on Commodity Derivative Instruments	(385)	(252)	(133)	—	—
Income (Loss) Before Income Taxes	576	457	321	90	(292)
Nine Months Ended September 30, 2015					
Revenues from Third Parties	\$ 2,227	\$ 1,411	\$ 432	\$ 378	\$ 6
Income from Equity Method Investees	60	35	25	—	—
Total Revenues	2,287	1,446	457	378	6
DD&A	1,444	1,138	223	52	31
Asset Impairments	43	11	—	32	—
(Gain) Loss on Commodity Derivative Instruments	(331)	(231)	(100)	—	—
Income (Loss) Before Income Taxes	(593)	(353)	195	227	(662)
Nine Months Ended September 30, 2014					
Revenues from Third Parties	\$ 3,893	\$ 2,503	\$ 931	\$ 363	\$ 96
Income from Equity Method Investees	138	—	138	—	—
Total Revenues	4,031	2,503	1,069	363	96
DD&A	1,297	970	218	46	63
Gain on Divestitures	(72)	(36)	—	—	(36)
Asset Impairments	164	56	—	14	94
(Gain) Loss on Commodity Derivative Instruments	(74)	(6)	(68)	—	—
Income (Loss) Before Income Taxes	1,085	838	786	211	(750)
September 30, 2015					
Total Assets	\$ 25,965	\$ 20,052	\$ 2,240	\$ 2,503	\$ 1,170
December 31, 2014					
Total Assets	22,553	16,400	2,763	2,806	584

Noble Energy, Inc.
Notes to Consolidated Financial Statements

Note 14. Commitments and Contingencies

CONSOL Carried Cost Obligation In accordance with our Marcellus Shale joint venture arrangement with a subsidiary of CONSOL Energy Inc. (CONSOL), we agreed to fund one-third of CONSOL's 50% working interest share of future drilling and completion costs, capped at \$400 million each year (CONSOL Carried Cost Obligation). The remaining obligation totaled approximately \$1.6 billion at September 30, 2015 .

The CONSOL Carried Cost Obligation is suspended if average Henry Hub natural gas prices fall and remain below \$4.00 per MMBtu in any three consecutive month period and remain suspended until average Henry Hub natural gas prices equal or exceed \$4.00 per MMBtu for three consecutive months. The CONSOL Carried Cost Obligation is currently suspended due to current natural gas prices. Based on the September 30, 2015 NYMEX Henry Hub natural gas price curve, we expect that the CONSOL Carried Cost Obligation will be suspended for the next 12 months.

Legal Proceedings We are involved in various legal proceedings in the ordinary course of business. These proceedings are subject to the uncertainties inherent in any litigation. We are defending ourselves vigorously in all such matters and we believe that the ultimate disposition of such proceedings will not have a material adverse effect on our financial position, results of operations or cash flows.

Colorado Air Matter In April 2015, we entered into a joint consent decree (Consent Decree) with the US Environmental Protection Agency, US Department of Justice, and State of Colorado to improve emission control systems at a number of our condensate storage tanks that are part of our upstream oil and natural gas operations within the Non-Attainment Area of the DJ Basin. The Consent Decree was entered by the Court on June 2, 2015.

The Consent Decree, which alleges violations of the Colorado Air Pollution Prevention and Control Act and Colorado's federal approved State Implementation Plan, specifically Colorado Air Quality Control Commission Regulation Number 7, requires us to perform certain injunctive relief activities to complete mitigation projects and supplemental environmental projects (SEP), and pay a civil penalty. Costs associated with the settlement consist of \$4.95 million in civil penalties, \$4.5 million in mitigation projects, and \$4 million in SEPs. Costs associated with the injunctive relief are not yet precisely quantifiable as they will be determined in accordance with the outcome of evaluations on the adequate design, operation, and maintenance of certain aspects of tank systems to handle potential peak instantaneous vapor flow rates between now and mid-2017.

Compliance with the Consent Decree could result in the temporary shut in or permanent plugging and abandonment of certain wells and associated tank batteries. The Consent Decree sets forth a detailed compliance schedule with deadlines for achievement of milestones through early 2019. The Consent Decree contains additional obligations for ongoing inspection and monitoring beyond that which is required under existing Colorado regulations. Inspection and monitoring findings may influence decisions to temporarily shut in or permanently plug and abandon wells and associated tank batteries.

We have concluded that the penalties, injunctive relief, and mitigation expenditures that resulted from this settlement did not have, and based on currently available information will not have, a material adverse effect on our financial position, results of operations or cash flows.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to provide a narrative about our business from the perspective of our management. We use common industry terms, such as thousand barrels of oil equivalent per day (MBoe/d) and million cubic feet equivalent per day (MMcfe/d), to discuss production and sales volumes. Our MD&A is presented in the following major sections:

- [Executive Overview](#) ;
- [Operating Outlook](#) ;
- [Results of Operations](#) ; and
- [Liquidity and Capital Resources](#) .

The preceding consolidated financial statements, including the notes thereto, contain detailed information that should be read in conjunction with our MD&A.

EXECUTIVE OVERVIEW

We are a globally diversified explorer and producer of crude oil, natural gas and natural gas liquids. We aim to achieve sustainable growth in value and cash flow through exploration success and the development of a high-quality, worldwide portfolio of assets with investment flexibility between: onshore unconventional developments and offshore organic exploration leading to major development projects; US and international development projects; and production mix among crude oil, natural gas, and NGLs. Our legacy core operating areas include the DJ Basin and Marcellus Shale (onshore US), deepwater Gulf of Mexico, offshore West Africa, and offshore Eastern Mediterranean, where we have a strategic competitive advantage and which we believe will generate attractive returns. We recently added two new core operating areas in the Eagle Ford Shale and the Permian Basin as a result of our merger with Rosetta. We also seek to enter other potential new core areas and are conducting exploration activities in domestic and international locations such as Northeast Nevada, the Falkland Islands, Cameroon, Suriname and Gabon.

Third Quarter 2015 Significant Operating Highlights Included:

- completed the Rosetta Merger, resulting in our entry into the Eagle Ford Shale and Permian Basin (see Rosetta Merger, below);
- progressed cost reduction efforts in capital, lease operating expense and general and administrative areas and continue to pursue further reductions to align spending with operational cash flows in the current commodity price environment (see Cost Reduction Efforts, below);
- achieved substantial progress on the regulatory Framework in Israel (see Update on Core Area – Israel, below);
- continued to advance our Cyprus development plan with the government of Cyprus and filed a request for extension of the exploration well obligation, which has been approved;
- progressed development of our Gulf of Mexico Big Bend and Dantzer projects, which are anticipated to commence production in fourth quarter 2015;
- averaged 379 MBoe/d production volumes and achieved record quarterly production volumes in the DJ Basin, Marcellus Shale and Israel assets;
- realized expansion of our and third party midstream capacity in the DJ Basin, which supported significant production growth in that core area;
- successfully commenced production from Alba C-21 development well, Equatorial Guinea, ahead of schedule; and
- completed the Cheetah exploration well in the Tilapia license offshore Cameroon and Humpback exploration well located in the South Falkland Basin, which resulted in dry hole expenses of \$27 million and \$108 million, respectively.

Third Quarter 2015 Financial Results Included:

- net loss of \$283 million , as compared with net income of \$419 million for third quarter 2014 ;
- net gain on commodity derivative instruments of \$267 million as compared with a net gain on commodity derivative instruments of \$385 million for third quarter 2014 ;
- diluted loss per share of \$0.67 , as compared with diluted earnings per share of \$1.12 for third quarter 2014 ;
- cash flow provided by operating activities of \$520 million , as compared with \$945 million for third quarter 2014 ;
- capital expenditures of \$664 million , as compared with \$1.3 billion for third quarter 2014 ;
- extension of the maturity date of our Credit Agreement to August 27, 2020; and
- repatriation of \$412 million from our foreign operations.

Quarter-End Key Financial Metrics Included:

- ending cash balance of \$1.0 billion , as compared with \$1.2 billion at December 31, 2014 ;
- total liquidity of \$5.0 billion at September 30, 2015 , as compared with \$5.2 billion at December 31, 2014 ; and
- ratio of debt-to-book capital of 39% at September 30, 2015 , as compared with 38% at December 31, 2014 .

Rosetta Merger

On July 20, 2015, we completed the Rosetta Merger. This merger adds two premier onshore US shale positions to our core operating areas: the Eagle Ford Shale and Permian Basin. Rosetta's liquids-rich asset base included approximately 50,000 net acres in the Eagle Ford and 54,000 net acres in the Permian (45,000 acres in the Delaware Basin and 9,000 acres in the Midland Basin). The Eagle Ford in particular will provide significant near-term growth to our production. Together with the Permian Basin, the Eagle Ford increases our year-end 2014 reserves and production by approximately 20%. We anticipate continuing to improve drilling and well performance in these unconventional plays by applying best practices from our onshore business and by capitalizing on Noble Energy - Rosetta synergies. [See Item 1. Financial Statements - Note 3. Rosetta Merger.](#)

Cost Reduction Efforts

During the first nine months of 2015, we have focused on maintaining our strong safety culture, driving operational efficiencies and productivity and reducing our cost structure. Cost reduction initiatives, including both operational enhancements and new pricing arrangements with suppliers, have resulted in reduced unit costs of 14% and 32% in lease operating expense and general and administrative expense, respectively, during the first nine months of 2015. Our diverse global portfolio provides significant optionality, allowing us to reduce our capital spending by 36% for the first nine months of 2015, as compared to the same period of 2014. This capital spending reduction, coupled with cost reduction activities, has aligned overall cash expenditures more closely to operating cash flows in the current commodity price environment. The closing of our Ardmore, Oklahoma location and other corporate restructuring activities resulted in corporate restructuring expense of \$21 million and stacked rig expense of \$13 million during third quarter 2015. See Operating Outlook – 2015 Capital Investment Program below.

Sales Volumes

On a BOE basis, total sales volumes were 25% higher for third quarter 2015 as compared with third quarter 2014 , and our mix of sales volumes was 44% global liquids, 23% international natural gas, and 33% US natural gas. On a BOE basis and excluding the impact of the Rosetta Merger, total sales volumes were 12% higher for third quarter 2015 as compared with third quarter 2014 , and our mix of sales volumes was 42% global liquids, 26% international natural gas, and 32% US natural gas. See Results of Operations – Revenues, below.

Commodity Price Changes

The upstream oil and gas business is cyclical. During 2014, natural gas prices declined steadily, and, during fourth quarter 2014, a significant decline in crude oil prices occurred. During the first nine months of 2015, global commodity prices have continued to trade in this lower range, or declined further. In addition, location differentials have increased in some regions, such as the Marcellus Shale, resulting in further declines in realized natural gas prices. For third quarter 2015 , our consolidated average realized prices decreased 55% for crude oil, 23% for natural gas and 74% for NGLs as compared with third quarter 2014 . We are unable to predict future commodity prices and prices are likely to remain volatile.

We plan for commodity price cyclicality in our business and believe we are well positioned to withstand current and future commodity price volatility due to the following:

- we have a high-quality, globally diversified portfolio of assets, the majority of which are held by production and provide investment flexibility;
- we have achieved sustainable cost reductions impacting both operating expenses and capital items, positively impacting operating cash flows;
- we are focused on operational efficiencies and projects that can be profitable in this current commodity price environment;
- we have designed a substantially reduced capital investment program which allows us to respond to changing commodity price conditions in 2015 and 2016;
- we are well hedged for the remainder of 2015, with additional hedges into 2016;
- we have a strong balance sheet with a ratio of debt-to-book capital of 39% at September 30, 2015 ; and
- we have robust liquidity with total liquidity of \$5.0 billion at September 30, 2015 and ability to access capital markets.

Major Development Project Updates

We continue to advance our major development projects, which we expect to deliver incremental production over the next several years. Updates on major development projects are as follows:

Sanctioned Ongoing Development Projects

A "sanctioned" development project is one for which a final investment decision has been made.

DJ Basin (Onshore US) We currently have a position in excess of 400,000 net acres, the majority of which are included within our integrated development plan (IDP) areas. During the quarter, we operated four drilling rigs (reducing to three rigs in September), drilled 39 horizontal wells and commenced production on 58 wells. Third party infrastructure also continued to improve, including the ramp-up of the third-party Lucerne-2 natural gas processing plant. The Lucerne capacity, along with recently-completed compression projects in the region, has resulted in lower line pressures and increased production flow.

Marcellus Shale (Onshore US) During the quarter, we and our joint venture partner averaged one horizontal drilling rigs. We drilled six operated wells and commenced production on 16 operated wells. Our joint venture partner drilled seven wells and commenced production on 12 wells. In response to the current natural gas and NGL pricing environment, we and our partner will continue with limited completion activity during the fourth quarter 2015.

Texas (Onshore US) On July 20, 2015, we completed the Rosetta Merger, adding the Eagle Ford Shale and Permian Basin to our portfolio. In the Eagle Ford, we operated one rig, drilled six wells and commenced production on three wells. In the Permian Basin, we operated one rig and drilled one well before releasing the rig in September 2015. [See Note 3. Rosetta Merger](#).

Gunflint (Deepwater Gulf of Mexico) Development is on track for the Gunflint (31% operated working interest) crude oil discovery, utilizing a two-well subsea tieback to the Gulfstar One spar. During third quarter 2015, we successfully drilled a second development well. First production is targeted for mid-2016.

Big Bend and Dantzler (Deepwater Gulf of Mexico) A co-development project is underway for the Big Bend (54% operated working interest) and Dantzler (45% operated working interest) crude oil discoveries, located in the Rio Grande area of the deepwater Gulf of Mexico, which will tie back to the Thunder Hawk semi-submersible production facility. First production for both Big Bend and Dantzler is targeted for fourth quarter 2015.

Alba Field (Offshore Equatorial Guinea) During second quarter 2015, the field operator successfully drilled the C-21 development well and production commenced in third quarter 2015. The multi-year compression project continues as planned with anticipated start-up in mid-2016.

Tamar Southwest We continue to work with the Israeli government to obtain regulatory approval of our development plan for the Tamar Southwest discovery, which is intended to utilize current Tamar infrastructure. We have suspended this project following continued delays in securing regulatory approvals. We have petitioned the Israeli courts to expedite the needed approvals. Timely development of Tamar Southwest is important to maintain well capacity and reliability for our overall Tamar project. See Update on Core Area – Israel, below.

North Sea During third quarter 2015, the operator of the MacCulloch Field completed phase I of the decommissioning program, which included subsea disconnection, cleaning and cutting of risers and demobilization of the floating production, storage and offloading vessel (FPSO). Phase II and III, removal of subsea infrastructure and permanent abandonment of all wells, are ongoing and forecasted for completion by 2020. Also, during this period decommission activities were completed at our non-operated Selkirk and Bligh Wells.

Unsanctioned Development Projects

Tamar Expansion Project (Offshore Israel) We have engaged in the planning phase for an expansion project which would expand Tamar field deliverability to approximately 2.0 Bcf/d. Timing of project sanction depends on satisfactory resolution of antitrust and other regulatory matters. See Update on Core Area – Israel, below.

Leviathan Project (Offshore Israel) In 2014, we submitted the Plan of Development to the Ministry of National Infrastructures, Energy and Water Resources. The development plan is expected to serve both domestic demand and export. Timing of project sanction depends on satisfactory resolution of antitrust and other regulatory matters, including adoption of the Framework intended to address and clarify many of the outstanding regulatory issues we and our partners face in developing our offshore assets, as well as execution of natural gas sales and purchase agreements, which will be subject to, among other conditions, the receipt of regulatory approvals. Project financing will also be required. We are engaged with the governments of the US, Israel, Jordan and Egypt on this project. See Update on Core Area – Israel, below.

Cyprus Project (Offshore Cyprus) During second quarter 2015, we submitted a Declaration of Commerciality and a Preliminary Development Plan for Block 12 (Aphrodite, 70% operated working interest) with the government of Cyprus, with which we continue to work to finalize our development plan. Furthermore, we and our partners are performing pre-FEED work for a potential development that envisions a regional natural gas export project to potential natural gas customers in Cyprus and Egypt. There is also potential for a farm-out arrangement of our working interest. In third quarter 2015, we filed an extension request for our 2015 exploration well obligation with the government of Cyprus. Subsequent to third quarter 2015, we received approval of the extension request to May 2016.

[See Item 1. Financial Statements – Note 9. Capitalized Exploratory Well Costs.](#)

Exploration Program Update

We have numerous exploration opportunities remaining in our core areas and are also engaged in new venture activity in both US and international locations.

We were in the process of drilling and/or evaluating significant exploratory wells at September 30, 2015, and expect to conduct additional exploratory activities.

A portion of our 2015 capital investment program is dedicated to exploration and associated appraisal activities. However, we do not always encounter hydrocarbons through our drilling activities. In addition, we may find hydrocarbons but subsequently reach a decision, through additional analysis or appraisal drilling, that a development project is not economically or operationally viable.

In the event we conclude that one of our exploratory wells did not encounter hydrocarbons or that a discovery is not economically or operationally viable, the associated capitalized exploratory well costs would be recorded as dry hole expense.

Additionally, we may not be able to conduct exploration activities prior to lease expirations. As a result, in a future period, dry hole cost and/or leasehold abandonment expense could be significant. See [Item 1. Financial Statements – Note 9. Capitalized Exploratory Well Costs](#) and Operating Outlook – Potential for Future Impairment, Dry Hole or Lease Abandonment Expense, below.

Updates on significant exploration activities are as follows:

Northeast Nevada We have drilled four exploratory wells to date. To assess commercial viability, additional exploration and appraisal work will be required. In the current commodity price environment, we are assessing our future plans and may consider divestment opportunities.

Deepwater Gulf of Mexico We currently have an inventory of identified prospects, which are a combination of both high impact subsalt prospects and smaller, high value tie-back opportunities. These prospects are subject to an ongoing technical maturation process and may or may not emerge as drillable options. We are preparing an exploration and appraisal program for 2016, which will likely include an exploration well at our Silvergate prospect (Mississippi Canyon 339, 50% operated working interest) and an appraisal well at our Katmai discovery made during third quarter 2014 (Green Canyon Block 40, 50% operated working interest).

Offshore West Africa We are currently processing the results of recently acquired 3D seismic data across Equatorial Guinea Blocks O and I which will aid in advancing other regional exploration and development opportunities, including the Diega/Carmen and Carla discoveries.

In July 2015, we spud the Cheetah exploration prospect on the Tilapia license offshore Cameroon (46.67% working interest) and completed drilling activities in third quarter 2015. The well encountered both crude oil and natural gas shows in multiple non-commercial reservoir sands and was plugged and abandoned. In third quarter 2015, we recorded dry hole costs of \$27 million associated with this exploratory well. Results from the well are being integrated into our geologic modeling for the

remaining exploration potential in the Tilapia license. We are also evaluating the results of recent reprocessing of 3D seismic data over our YoYo mining concession.

Offshore Eastern Mediterranean See Update on Core Area – Israel, below.

Offshore Falkland Islands Drilling operations at the Humpback prospect (35% operated working interest), located in the South Falkland Basin, began in June 2015. We completed drilling activities, and after evaluating results, we will plug and abandon this exploratory well as we did not locate commercial quantities of hydrocarbons. As a result, we recorded dry hole costs of \$108 million in third quarter 2015. In the North Falkland Basin, we have identified the Rhea prospect (75% operated working interest) as the initial target on the PL001 License and expect to commence drilling late fourth quarter 2015. The PL001 License covers an area of approximately 280,000 gross acres.

An Argentine court has initiated a criminal investigation against Noble Energy and other oil and gas companies regarding their exploration activities offshore Falkland Islands. The court has also issued a preservation order against the relevant companies to preserve assets in the event of any judgment. The investigation is premised on Argentina's claim that the Falkland Islands are a part of its territory. Argentina does not recognize the United Kingdom's sovereignty over the Falkland Islands or the Falkland Islanders rights to exploit their natural resources. The Falkland Islands are part of the United Kingdom's overseas territories and are afforded full self-governance. Our concessions are with the Falkland Islands Government and we do not believe that Argentina has any authority over our operations in the Falkland Islands.

Offshore Suriname In October 2015, we acquired a non-operated 20% working interest in Block 54 offshore Suriname via farm-in from Tullow Oil plc. Tullow is the operator with a 30% interest. The initial phase of exploration on the block requires acquisition of a 3D seismic survey, which has been completed and is currently being processed. Evaluation of the seismic survey will determine if a commitment to a subsequent exploration phase to drill an exploration well is warranted.

Offshore Gabon We are the operator of Block F15 (60% working interest), an undeveloped, ultra-deep water area, covering 670,000 gross acres. The exploration phase is underway and we are planning to conduct a proprietary 3D seismic survey in the first half of 2016.

Update on Core Area – Israel

Noble Energy and its partners have remained committed to providing natural gas to Israeli citizens for over a decade. We have delivered approximately 1.6 Tcf, gross, of natural gas to Israeli customers, including the Israel Electric Corporation (IEC), the largest supplier of electricity in the country.

Since obtaining our first exploration license in 1998, Noble Energy has been the first, and only, oil and natural gas company to successfully explore for significant amounts of hydrocarbons offshore Israel. We are also the first company to construct, operate and produce from a major development project offshore Israel. We have invested significant amounts of capital in exploration and development activities since 1998. Throughout this time, we have focused on partnering with our customers and the Israeli government to provide a reliable fuel source to support affordable energy for the State of Israel's citizens.

Since our initial discovery at Mari-B in 2000, we and our partners have continued to reinvest for long-term growth, leasing additional acreage and conducting exploration activities offshore Israel, in pursuit of additional resources to meet increasing demand from Israeli consumers and global markets. Our exploration efforts resulted in numerous natural gas discoveries over the past several years. The Tamar and Leviathan discoveries, in particular, are large-scale, high-quality reservoirs of global significance, providing substantial additional resources for the government, citizens of Israel and the region. We developed the Tamar field with a discovery to production cycle time of approximately four years, which is exceptionally fast by historical industry standards for an offshore natural gas project of this magnitude and complexity.

The quantity of discovered natural gas resources at Tamar and Leviathan have positioned Israel to meet domestic needs for decades and to become a significant natural gas exporter. Multiple regional markets exist and Israel's domestic demand is predicted to continue to grow over the next decade. Eastern Mediterranean export projects are well positioned to supply growing regional and global natural gas demand, which would provide benefits beyond satisfying domestic consumption of natural gas. We are working with potential customers to supply natural gas through a regional pipeline system and/or LNG facilities. Government export royalties and tax revenues related to regional export sales would provide material financial benefit for Israel's citizens.

In addition to our natural gas discoveries, the Levant Basin also has potential for large scale crude oil discoveries, which may exist at greater depths. We have conducted preliminary exploration activities and have been planning to complete our test of two deeper intervals.

We have been progressing plans to develop the Leviathan field and expand the currently-producing Tamar field. However, the regulatory environment in Israel remains challenging and uncertain. Laws, regulations and guidelines have been modified, sometimes with retroactive impacts, resulting in an unpredictable investment climate. Timing of approval for development plans has been delayed, and consequently our ability to make significant, long-term investment decisions has been impacted.

Since 2011, following the discovery of Leviathan, we have been engaged with the Israeli government, including the Antitrust Commissioner, to reach agreement on various antitrust concerns resulting from our significant resource ownership status. During 2014, we and our partners reached an agreement with the Israeli government to resolve the antitrust concerns (Consent Decree), which included an agreement to divest two of our natural gas discoveries, Tanin and Karish.

Acting in good faith upon the Consent Decree, we engaged in discussions with potential purchasers of the Tanin and Karish discoveries. We believed that the Consent Decree matter had been resolved and had received assurances from the Antitrust Authority that approval was forthcoming. However, on December 23, 2014, the Israeli Antitrust Commissioner (Commissioner) reversed a decision to submit the agreed Consent Decree to the Israeli Antitrust Tribunal for approval.

In response to this situation, in late 2014, the Prime Minister's office established an inter-ministerial working group, led by the head of the National Economic Council, for the purpose of addressing outstanding regulatory concerns and the development of a comprehensive regulatory Framework to achieve certainty and support further investment in natural gas development. We engaged with the Israeli government inter-ministerial working group to support their efforts toward the development of the Framework. The resulting Framework was finalized during third quarter 2015.

Among other items, the Framework provides for the government of Israel to address the following:

- The timely approval of asset development permits and plans and export permits;
- Benchmarking future domestic contract pricing for an interim period until market competition is established, whereby such contracts are indexed to existing domestic and export contracts;
- Resolution of antitrust and competition concerns, whereby we would divest Tanin and Karish within 14 months and reduce our ownership in Tamar to 25% within six years;
- The de-linking of Tamar export timing from Leviathan, enabling Tamar expansion to move forward; and
- Support for investment through stabilization assurance.

After a public hearing process, the Framework was approved by the Israeli Cabinet and Knesset. Enactment of the Framework provides that certain antitrust matters will be resolved. Authority resides with the Minister of Economy to provide the stipulated exemption related to these antitrust matters. Legal challenges may still be brought against the Framework in the Israeli courts. We continue to monitor related progress and if necessary, we are prepared to defend our legal rights to our Israel assets to the fullest extent in both Israel and international venues.

Given the quality of the discovered natural gas resources, the regional demand for natural gas and the significant associated economic benefit to the government, citizens of Israel and the region, we believe it is in the best interest of the Israeli government and citizens that these assets be developed without delay. Although our development plans have been delayed as a result of government actions previously described, we continue to expect that our discoveries will be developed, upon satisfactory resolution of the above matters. Therefore, we believe the risk of loss of our investment is remote as the value of these assets could be realized through ultimate development and/or sale to third parties. In addition, we would pursue any and all remedies for any damages incurred.

As of September 30, 2015, our \$2.2 billion investment in Israel includes: approximately \$1.4 billion related to the currently-producing Tamar field; approximately \$400 million related to the Leviathan natural gas discovery and suspended deep oil test; approximately \$300 million related to the Tamar expansion project and previous discoveries which are awaiting sanction of development plans; and \$78 million related to the Karish and Tanin discoveries, which are included in assets held for sale. We expect further capital expenditure to be minimized, pending resolution of regulatory matters.

Pending Master Limited Partnership

On October 22, 2015, Noble Midstream Partners LP (Noble Midstream), a wholly owned subsidiary of Noble Energy, filed a registration statement on Form S-1 with the U.S. Securities and Exchange Commission (SEC) relating to a proposed master limited partnership. Under the proposed structure, Noble Midstream will own, operate and develop our DJ Basin crude oil, natural gas and water-related midstream services and Noble Energy will own the general partner of Noble Midstream. We expect to retain a majority of our limited partnership interests in the proposed master limited partnership.

Non-Core Divestiture Program

We periodically divest non-core, non-strategic assets. During the first nine months of 2015, we continued our non-core asset divestiture program with the sale of certain smaller onshore US property packages resulting in net proceeds of \$151 million. Divestitures of non-core properties allow us to allocate capital and other resources to high-value and high-growth areas. We continue to evaluate divestment opportunities of certain non-core onshore properties located in the Rocky Mountain and Bowdoin (north central Montana) areas. As of September 30, 2015, the net book value of these non-core assets is \$84 million.

See [Item 1. Financial Statements – Note 4. Divestitures](#) and [Operating Outlook - Potential for Future Impairment, Dry Hole or Lease Abandonment Expense](#), below.

Colorado Air Matter

In August 2013, we received an information request from the EPA under Section 114 of the Clean Air Act regarding several tank batteries used in our DJ Basin operations. The information request relates to our compliance with certain regulatory requirements at those locations, including air emissions of volatile organic compounds in a marginal ozone non-attainment area. We responded to the EPA's information requests between November 2013 and April 2014 and, in April 2015, reached a settlement with the EPA and the State of Colorado regarding potential noncompliance with the Clean Air Act, Colorado's State Implementation Plan, Colorado's Air Pollution Prevention and Control Act and its implementation regulations. [See Part II. Other Information – Item 1. Legal Proceedings](#).

Update on Regulations

Hydraulic Fracturing Rules

Although hydraulic fracturing is regulated primarily at the state level, governments and agencies at all levels from federal to municipal have been conducting studies and considering new rules.

On March 26, 2015, the US Interior Department's Bureau of Land Management (BLM) published a final rule regulating hydraulic fracturing on public and Indian lands. The new rules include requirements related to well-bore integrity, wastewater disposal and public disclosure of chemicals. Key components of the rule include:

- provisions for ensuring the protection of groundwater supplies by requiring a validation of well integrity and strong cement barriers between the wellbore and water zones through which the wellbore passes;
- increased transparency by requiring companies to publicly disclose chemicals used in hydraulic fracturing to the BLM through the website FracFocus, within 30 days of completing fracturing operations;
- higher standards for interim storage of recovered waste fluids from hydraulic fracturing to mitigate risks to air, water and wildlife; and
- measures to lower the risk of cross-well contamination with chemicals and fluids used in the fracturing operation, by requiring companies to submit more detailed information on the geology, depth, and location of preexisting wells to afford the BLM an opportunity to better evaluate and manage unique site characteristics.

A number of parties, including the States of Wyoming, Colorado, North Dakota and Utah, have challenged the new rule, and in September 2015, a federal court preliminarily enjoined BLM from enforcing it until their case is decided.

We continue to review the BLM requirements, as well as the status of the court challenges, to determine the impacts, including additional costs and reporting burdens and increased cycle time for permit approval, they may have on our operations on federal land, including our federal units in Nevada.

Nevada Regulations

In September 2014, Nevada state regulators finalized regulations for the use of hydraulic fracturing in crude oil and natural gas development. The regulatory program includes requirements for groundwater baseline sampling and monitoring, water resource and wastewater disposal requirements, chemical disclosure requirements and mandates for extra casing for unconventional wells. We actively participated in the program's development and do not believe it will have a material impact on our activities.

Proposed Offshore Drilling Regulations

On April 13, 2015, the US Department of the Interior announced proposed regulations which include more stringent design requirements and operational procedures for critical well control equipment used in offshore oil and gas operations.

The proposed rule addresses the range of systems and equipment related to well control operations. The measures are intended to improve equipment reliability, building upon enhanced industry standards for blowout preventers and blowout prevention technologies. The rule also covers well design, well control, casing, cementing, real-time well monitoring and subsea containment. We will continue to monitor the development of these new regulations to determine the impacts, including additional costs and reporting burdens, on our deepwater Gulf of Mexico operations.

Endangered Species Act

The US Fish and Wildlife Service (FWS), under the Endangered Species Act (ESA), has regulatory authority over activities that may result in the harming of any endangered or threatened species or its habitat. Some of our operations involving exploration for, and production and sale of, crude oil, natural gas and NGLs are located in areas where such species or habitat may be found. Further, the FWS frequently adds to the list of protected species. In April 2015, for example, the FWS announced that it was listing the northern long-eared bat, as threatened under the ESA, which could have an impact on the

timing of certain of our operations in the Marcellus Shale. In addition and relative to our operations in the Permian Basin, the Lesser Prairie Chicken is not currently listed under the ESA as a result of a federal court vacating the final rule listing the Lesser Prairie Chicken as threatened under the ESA. However, recently, the FWS requested a federal judge in Texas to reverse the ruling. If this occurs, the Lesser Prairie Chicken would be again listed as threatened under the ESA.

Clean Water Rule

In May 2015, the US Environmental Protection Agency (US EPA) and the US Army Corps of Engineers jointly released a final rule that is meant to define more precisely which water bodies are and are not subject to the Clean Water Act (the Clean Water Rule). Among other things, the Clean Water Rule defines the intermittent, ephemeral, and man-altered streams to be protected and specifies when federal jurisdiction may be extended from a covered water to nearby waters. While the agencies have claimed that the new requirements are narrower than existing regulation, the Clean Water Rule has generated substantial controversy. Several court challenges have been filed, a court temporarily had stayed its enforcement, and legislation has been introduced in Congress to require changes. To the extent that the Clean Water Rule requires more detailed studies of site conditions, or results in an expansion of federal jurisdiction over streams and wetlands, our costs may increase, especially with respect to spill prevention, storm water management, and wetlands permitting. We are currently evaluating the impact of the new rule on our operations.

Colorado Task Force

In 2014, by executive order, Colorado Governor Hickenlooper created the Task Force on State and Local Regulation of Oil and Gas Operations (Task Force) for the purpose of recommending policies and legislation. The 21-member Task Force, which included a Noble Energy representative, concluded its activities on February 27, 2015. The Task Force sent nine recommendations to the governor. The recommendations sought to balance land use issues among communities and oil and gas operators and allow reasonable access to private mineral rights. Three recommendations were approved by the legislature and in October 2015 state regulators proposed two rules covering large oil and gas operations in urban areas and coordination of drilling with local governments. We currently are evaluating the proposals.

In addition to the above, we will continue to monitor proposed and new regulations and legislation in all operating jurisdictions to assess the potential impact on our company. Concurrently, we are engaged in extensive public education and outreach efforts with the goal of engaging and educating the general public and communities about the energy, economic and environmental benefits of safe and responsible crude oil and natural gas development.

Federal Air Standards

In October 2015, US EPA announced that it was lowering the primary national ambient air quality standard for ozone from 75 parts per billion to 70 parts per billion. Implementation will take place over several years; however, areas that cannot meet the new standard eventually will need to impose additional requirements on sources of ozone precursors such as volatile organic compounds, which could increase the cost of operating our facilities.

In August 2015, US EPA announced a proposal to further extend its air emission regulations covering new and modified oil and gas operations. Among other things, the proposal would directly limit methane emissions, cover hydraulically fractured oil wells, specify when oil and gas wells should be aggregated into a single source for purposes of air permitting and set guidelines for controlling emissions from existing drilling. We will be monitoring the development of these requirements.

Recently Issued Accounting Standards

[See Item 1. Financial Statements – Note 2. Basis of Presentation .](#)

OPERATING OUTLOOK

2015 Production Our expected crude oil, natural gas and NGL production for 2015 may be impacted by several factors including:

- commodity prices which, if subject to further decline, could result in current production becoming uneconomic;
- overall level and timing of capital expenditures which, as discussed below and dependent upon our drilling success, will impact near-term production volumes;
- the reduced level of horizontal drilling activity in our onshore US areas and the decline in our DJ Basin legacy vertical well production;
- timing of start-up of a low pressure line-loop system, performance of gathering and processing infrastructure, capacity constraints of midstream facilities serving those wells, offset by additional capacity from new facilities, and occurrence of other events which impact capacity constraints of midstream facilities serving our DJ Basin wells;
- integration and timing of new wells in the Eagle Ford and Permian as a result of the Rosetta Merger;
- timing of start-up of the Big Bend and Dantzler projects (deepwater Gulf of Mexico);

- Israeli demand for electricity, which affects demand for natural gas as fuel for power generation and industrial market growth, and which is impacted by unseasonable weather;
- variations in West Africa crude oil and condensate sales volumes due to potential Aseng FPSO downtime and timing of liftings, and variations in natural gas sales volumes related to potential downtime at the methanol, LPG and/or LNG plants;
- natural field decline in the deepwater Gulf of Mexico and offshore Equatorial Guinea;
- potential weather-related volume curtailments due to hurricanes in the deepwater Gulf of Mexico, or winter storms and flooding impacting onshore US operations;
- reliability of support equipment and facilities and/or potential pipeline and processing facility capacity constraints which may cause restrictions or interruptions in production and/or mid-stream processing;
- pending Alba and Alen field unitizations in West Africa;
- potential shut-in of US producing properties if storage capacity becomes unavailable;
- potential drilling and/or completion permit delays due to future regulatory changes; and
- potential purchases of producing properties or divestments of non-core operating assets.

2015 Capital Investment Program Given the current commodity price environment and an industry cost structure that has yet to fully reset to lower revenue levels, we have designed a substantially reduced capital investment program that is appropriate for the current price environment and will be responsive to changing price conditions throughout the remainder of the year. Our 2015 capital program accommodates an investment level of less than \$3 billion for our existing assets (including Rosetta), which represents an approximate 40% reduction from 2014. The program initially allocated more than 60% of total investment to core onshore US assets and 35% for global offshore development activities including the deepwater Gulf of Mexico, and approximately 5% for global offshore exploration.

The 2015 capital investment program may be funded from cash flows from operations, cash on hand, proceeds from divestments of non-core assets, borrowings under our Credit Facility and/or other financings. We continue to reduce our capital investment program, while targeting a cash neutral position, whereby the capital investment program is at, or below, operating cash flows. See [Liquidity and Capital Resources – Financing Activities](#).

Potential for Future Impairments, Dry Hole or Lease Abandonment Expense

Exploration Activities We have an active exploratory drilling program. In the event we conclude that an exploratory well did not encounter hydrocarbons or that a discovery is not economically or operationally viable, the associated capitalized exploratory well costs would be charged to expense. For example, during the first nine months of 2015, we recorded dry hole expense of \$154 million primarily related to onshore US, offshore Cameroon and Falkland Island exploratory wells. See [Item 1. Financial Statements - Note 9. Capitalized Exploratory Well Costs](#).

Additionally, we may not conduct exploration activities prior to lease expirations. For example, in the deepwater Gulf of Mexico, we continue to mature our prospect portfolio. However, regulations have become more stringent due to the Deepwater Horizon incident in 2010. In some instances, specifically engineered blowout preventers, rigs, and completion equipment may be required for high pressure environments. Regulatory requirements or lack of readily available equipment could prevent us from engaging in future exploration activities during our current lease terms. In addition, the current commodity price environment may render certain prospects economically less attractive and we may not conduct exploration activities before lease expiration.

We currently have capitalized undeveloped leasehold cost of approximately \$250 million related to deepwater Gulf of Mexico prospects that have not yet been drilled. These leases will expire over the years 2015 - 2024. In third quarter 2015, we wrote off \$41 million related to one lease which had previously received a suspension of operations (SOO). The SOO required that we commit to an exploration well by October 31, 2015, which we declined to do, and consequently the lease cost was written off to exploration expense.

Our northeast Nevada exploration prospect includes a 350,000 net acre position (66% fee acreage and remainder federal acreage), prospective for crude oil, which we identified through basin scale reconnaissance and innovative geoscience concepts. We have drilled four exploratory wells to date. To assess commercial viability, additional exploration and appraisal work will be required. In the current commodity price environment, we are assessing our future plans and may consider divestment opportunities. As of September 30, 2015, the net book value of our northeast Nevada assets is \$112 million.

Producing Properties Commodity prices remain volatile. A decline in future crude oil, natural gas or NGL prices could result in impairment charges, decrease in proved reserves and/or shut-in of currently producing wells. The cash flow model that we use to assess proved properties for impairment includes numerous assumptions, such as management's estimates of future crude oil and natural gas production along with operating and development costs, market outlook on forward commodity prices, and interest rates. All inputs to the cash flow model must be evaluated at each date of estimate. However, a decrease in forward crude oil or natural gas prices alone could result in an impairment.

In third quarter 2015, we assessed proved properties for possible impairment due to current commodity prices. While the estimated undiscounted future cash flows of certain of our properties, including our Aseng and Alen fields in Equatorial Guinea, did not indicate an impairment at September 30, 2015, these properties may become impaired if, for example, commodity prices decline further, operating or development costs increase, or estimated proved reserves are revised downward.

In addition, well decommissioning programs, especially in deepwater or remote locations, are often complex and expensive. It may be difficult to estimate timing of actual abandonment activities, which are subject to regulatory approval and the availability of rigs and services. It may be difficult to estimate costs as rigs and services become more expensive in periods of higher demand. Therefore, our ARO estimates may change, sometimes significantly, and could result in asset impairment.

Divestments We are currently marketing certain non-core onshore US properties. If properties are reclassified as assets held for sale in the future, they will be valued at the lower of net book value or anticipated sales proceeds less costs to sell. Impairment expense would be recorded for any excess of net book value over anticipated sales proceeds less costs to sell. In addition, we would allocate a portion of goodwill to any non-core onshore US property held for sale that constitutes a business, which could potentially decrease any gain or increase any loss recorded on the sale.

In addition, certain assets offshore Israel were classified as held for sale at September 30, 2015. No impairments are indicated at this time. However, failure to achieve acceptable sale terms or delays in closing sales of these properties could result in impairment and/or loss on sale.

Goodwill As of September 30, 2015, we had allocated \$945 million of goodwill to our US reporting unit, including goodwill associated with the Rosetta Merger, which may be revised as we complete our purchase price allocation for that transaction. We assess goodwill for impairment annually during the fourth quarter, or more frequently as circumstances require, at the reporting unit level. At September 30, 2015, we performed a qualitative assessment by examining relevant events and circumstances that could have a negative impact on our goodwill, such as: macroeconomic conditions; industry and market conditions, including current commodity prices; earnings and cash flows; overall financial performance; segment dispositions and acquisitions; and other relevant entity-specific events. Based upon our qualitative assessment of these circumstances, we concluded that a full impairment test was warranted. Accordingly, we estimated the fair value of our US reporting unit using a combination of the income approach and the market approach. We then estimated the implied fair value of goodwill based upon this valuation analysis. These procedures indicated no impairment at September 30, 2015. Further declines in commodity prices and sustained lower valuation for our common stock could indicate a reduction in our estimate of reporting unit fair value which, in turn, could lead to an impairment of reporting unit goodwill. We will continue to monitor events and circumstances which could have a negative impact on our estimates of reporting unit fair value.

RESULTS OF OPERATIONS**Revenues**

Revenues were as follows:

<i>(millions)</i>	2015		2014		(Decrease) from Prior Year
Three Months Ended September 30,					
Oil, Gas and NGL Sales	\$	765	\$	1,228	(38)%
Income from Equity Method Investees		36		41	(12)%
Total	\$	801	\$	1,269	(37)%
Nine Months Ended September 30,					
Oil, Gas and NGL Sales	\$	2,227	\$	3,893	(43)%
Income from Equity Method Investees		60		138	(57)%
Total	\$	2,287	\$	4,031	(43)%

N/M amount is not meaningful.

Changes in revenues are discussed below.

Oil, Gas and NGL Sales

We generally sell crude oil, natural gas, and NGLs under two types of agreements common in our industry. Both types of agreements may include transportation charges. One type of agreement is a netback agreement, under which we sell crude oil and natural gas at the wellhead and receive a price, net of transportation expense incurred by the purchaser. In this case, we record crude oil and natural gas revenue at the net price we received from the purchaser. In the case of NGLs, we may receive a price from the purchaser, which is net of processing costs. In this case, we record NGL revenue at the net price we receive from the purchaser. The second type of agreement is one whereby we pay transportation expense directly. In that case, transportation expense is included within production expense in our consolidated statements of operations.

In addition, commodity prices we receive may be reduced by location basis differentials, which can be significant. As a result of both netback agreements and location basis differentials, our reported sales prices may differ significantly from published commodity price benchmarks for the same period.

Average daily sales volumes and average realized sales prices were as follows:

	Sales Volumes				Average Realized Sales Prices		
	Crude Oil & Condensate (MBbl/d)	Natural Gas (MMcf/d)	NGLs (MBbl/d)	Total (MBoe/d) ⁽¹⁾	Crude Oil & Condensate (Per Bbl)	Natural Gas (Per Mcf)	NGLs (Per Bbl)
Three Months Ended September 30, 2015							
United States	83	741	49	255	\$ 42.42	\$ 2.01	\$ 7.49
Equatorial Guinea ⁽²⁾	27	231	—	65	45.99	0.27	—
Israel	—	303	—	51	—	5.39	—
Other International ⁽³⁾	—	—	—	—	—	—	—
Total Consolidated Operations	110	1,275	49	371	43.30	2.50	7.49
Equity Investees ⁽⁴⁾	2	—	6	8	51.41	—	24.86
Total	112	1,275	55	379	\$ 43.44	\$ 2.50	\$ 9.24
Three Months Ended September 30, 2014							
United States	67	538	25	182	\$ 94.21	\$ 3.41	\$ 29.53
Equatorial Guinea ⁽²⁾	29	233	—	68	98.63	0.27	—
Israel	—	262	—	44	—	5.59	—
Other International ⁽³⁾	—	—	—	—	—	—	—
Total Consolidated Operations	96	1,033	25	294	95.55	3.26	29.53
Equity Investees ⁽⁴⁾	2	—	6	8	102.02	—	62.24
Total	98	1,033	31	302	\$ 95.64	\$ 3.26	\$ 35.85
Nine Months Ended September 30, 2015							
United States	73	658	34	217	\$ 46.02	\$ 2.20	\$ 9.78
Equatorial Guinea ⁽²⁾	29	221	—	66	52.15	0.27	—
Israel	—	254	—	43	—	5.39	—
Other International ⁽³⁾	1	—	—	1	55.52	—	—
Total Consolidated Operations	103	1,133	34	327	47.79	2.54	9.78
Equity Investees ⁽⁴⁾	2	—	5	6	51.67	—	28.77
Total	105	1,133	39	333	\$ 47.85	\$ 2.54	\$ 12.15
Nine Months Ended September 30, 2014							
United States	66	497	22	171	\$ 96.84	\$ 4.12	\$ 35.39
Equatorial Guinea ⁽²⁾	32	241	—	72	104.38	0.27	—
Israel	—	233	—	39	—	5.59	—
Other International ⁽³⁾	3	—	—	3	104.47	—	—
Total Consolidated Operations	101	971	22	285	99.48	3.52	35.39
Equity Investees ⁽⁴⁾	2	—	6	7	105.15	—	67.06
Total	103	971	28	292	\$ 99.58	\$ 3.52	\$ 47.96

- ⁽¹⁾ Natural gas is converted on the basis of six Mcf of gas per one barrel of crude oil equivalent. This ratio reflects an energy content equivalency and not a price or revenue equivalency. Given commodity price disparities, the price for a barrel of crude oil equivalent for both natural gas and NGL are significantly less than the price for a barrel of crude oil.
- ⁽²⁾ Natural gas from the Alba field in Equatorial Guinea is under contract for \$0.25 per MMBtu to a methanol plant, an LPG plant, an LNG plant and a power generation plant. The methanol and LPG plants are owned by affiliated entities accounted for under the equity method of accounting.
- ⁽³⁾ Other International includes primarily China (through June 30, 2014). North Sea sales volumes for 2014 and 2015 were de minimis, with last production in May 2015.
- ⁽⁴⁾ Volumes represent sales of condensate and LPG from the Alba plant in Equatorial Guinea. See *Income from Equity Method Investees*, below.

An analysis of revenues from sales of crude oil, natural gas and NGLs is as follows:

<i>(millions)</i>	Sales Revenues			
	Crude Oil & Condensate	Natural Gas	NGLs	Total
Three Months Ended September 30, 2014	\$ 849	\$ 310	\$ 69	\$ 1,228
Changes due to				
Increase in Sales Volumes	118	72	65	255
Decrease in Sales Prices	(529)	(89)	(100)	(718)
Three Months Ended September 30, 2015	\$ 438	\$ 293	\$ 34	\$ 765
Nine Months Ended September 30, 2014	\$ 2,748	\$ 932	\$ 213	\$ 3,893
Changes due to				
Increase in Sales Volumes	66	156	113	335
Decrease in Sales Prices	(1,462)	(303)	(236)	(2,001)
Nine Months Ended September 30, 2015	\$ 1,352	\$ 785	\$ 90	\$ 2,227

Crude Oil and Condensate Sales – Revenues from crude oil and condensate sales decreased during third quarter and first nine months of 2015 as compared with 2014 due to the following:

- decreases in average realized prices primarily due to the decline in global commodity prices that began in the second half of 2014; and
- decreases in sales volumes due to planned downtime and maintenance as well as natural field decline in the deepwater Gulf of Mexico and the Aseng field, offshore Equatorial Guinea.

partially offset by:

- higher sales volumes due to continued development in the DJ Basin infrastructure and sales volumes contributed by our acquired Eagle Ford and Permian assets, which contributed 7 MBbl/d and 5 MBbl/d, respectively, in third quarter 2015.

Natural Gas Sales – Revenues from natural gas sales decreased during third quarter and first nine months of 2015 as compared with 2014 due to the following:

- decreases in US average realized prices between September and December 2014 with prices declining further in the first nine months of 2015; and
- a widening of location basis differentials in the Marcellus Shale due to an oversupply of natural gas in the region;

partially offset by:

- higher sales volumes due to record quarterly sales volumes in Israel, continued development in the DJ Basin and Marcellus Shale and sales volumes contributed by our acquired Eagle Ford and Permian assets, which contributed 87 MMcf/d and 6 MMcf/d, respectively, in third quarter 2015.

NGL Sales – Revenues from NGL sales decreased during third quarter and first nine months of 2015 as compared with 2014 due to the following:

- decreases in average realized prices primarily driven by oversupply, particularly in the Marcellus Shale:

partially offset by:

- sales volumes contributed by our acquired Eagle Ford and Permian assets, which contributed 14 MBbl/d and 1 MBbl/d, respectively, in third quarter 2015.

Income from Equity Method Investees We have interests in equity method investees that operate midstream assets onshore US and West Africa. Equity method investments are included in other noncurrent assets in our consolidated balance sheets, and our share of earnings is reported as income from equity method investees in our consolidated statements of operations. Within our consolidated statements of cash flows, activity is reflected within cash flows provided by operating activities and cash flows provided by (used in) investing activities.

Income from equity method investees decreased \$78 million during the first nine months of 2015 as compared with 2014. Income from AMPCO, our methanol investee, decreased \$48 million due to lower sales volumes and additional expenses related to a 45-day plant turnaround during 2015. In addition, average realized methanol prices have declined. Income from Alba Plant, our LPG investee, decreased \$64 million due to lower sales volumes and lower realized prices. In addition, feed gas supply to both Alba Plant and AMPCO was interrupted during the drilling of the Alba field C-21 development well during second quarter 2015. Alba field C-21 development well commenced production during third quarter 2015. We recorded income

of \$31 million during the first nine months of 2015 from our investments in CONE Gathering LLC and CONE Midstream Partners LP, which completed an initial public offering of limited partner units in September 2014.

Operating Costs and Expenses

Operating costs and expenses were as follows:

<i>(millions)</i>	2015	2014	Increase / (Decrease) from Prior Year
Three Months Ended September 30,			
Production Expense	\$ 235	\$ 216	9 %
Exploration Expense	203	217	(6)%
Depreciation, Depletion and Amortization	539	460	17 %
General and Administrative	109	132	(17)%
Asset Impairments	—	33	(100)%
Other Operating (Income) Expense, Net	182	(19)	N/M
Total	\$ 1,268	\$ 1,039	22 %
Nine Months Ended September 30,			
Production Expense	\$ 693	\$ 689	1 %
Exploration Expense	308	350	(12)%
Depreciation, Depletion and Amortization	1,444	1,297	11 %
General and Administrative	308	399	(23)%
Asset Impairments	43	164	(74)%
Other Operating (Income) Expense, Net	252	(31)	N/M
Total	\$ 3,048	\$ 2,868	6 %

N/M amount is not meaningful.

Changes in operating costs and expenses are discussed below.

Production Expense Components of production expense were as follows:

<i>(millions, except unit rate)</i>	Total per BOE ⁽¹⁾	Total	United States	Equatorial Guinea	Israel	Other Int'l, Corporate ⁽²⁾
Three Months Ended September 30, 2015						
Lease Operating Expense ⁽³⁾	\$ 3.89	\$ 133	\$ 92	\$ 26	\$ 13	\$ 2
Production and Ad Valorem Taxes	0.83	28	27	—	—	1
Transportation and Gathering Expense	2.13	74	74	—	—	—
Total Production Expense	\$ 6.85	\$ 235	\$ 193	\$ 26	\$ 13	\$ 3
Total Production Expense per BOE		\$ 6.85	\$ 8.22	\$ 4.30	\$ 2.78	N/M
Three Months Ended September 30, 2014						
Lease Operating Expense ⁽³⁾	\$ 4.88	\$ 132	\$ 78	\$ 34	\$ 13	\$ 7
Production and Ad Valorem Taxes	1.64	44	44	—	—	—
Transportation and Gathering Expense	1.48	40	40	—	—	—
Total Production Expense	\$ 8.00	\$ 216	\$ 162	\$ 34	\$ 13	\$ 7
Total Production Expense per BOE		\$ 8.00	\$ 9.67	\$ 5.45	\$ 3.20	N/M
Nine Months Ended September 30, 2015						
Lease Operating Expense ⁽³⁾	\$ 4.70	\$ 419	\$ 274	\$ 96	\$ 38	\$ 11
Production and Ad Valorem Taxes	1.00	89	88	—	—	1
Transportation and Gathering Expense	2.09	185	185	—	—	—
Total Production Expense	\$ 7.79	\$ 693	\$ 547	\$ 96	\$ 38	\$ 12
Total Production Expense per BOE		\$ 7.79	\$ 9.23	\$ 5.32	\$ 3.27	N/M
Nine Months Ended September 30, 2014						
Lease Operating Expense ⁽³⁾	\$ 5.45	\$ 424	\$ 247	\$ 101	\$ 39	\$ 37
Production and Ad Valorem Taxes	1.88	146	129	—	—	17
Transportation and Gathering Expense	1.54	119	118	—	—	1
Total Production Expense	\$ 8.87	\$ 689	\$ 494	\$ 101	\$ 39	\$ 55
Total Production Expense per BOE		\$ 8.87	\$ 10.62	\$ 5.12	\$ 3.65	N/M

N/M amount is not meaningful.

⁽¹⁾ Consolidated unit rates exclude sales volumes and expenses attributable to equity method investees.

⁽²⁾ Other International, Corporate includes primarily China (through June 30, 2014) and corporate expenditures.

⁽³⁾ Lease operating expense includes oil and gas operating costs (labor, fuel, repairs, replacements, saltwater disposal and other related lifting costs) and workover expense.

For third quarter and the first nine months of 2015, total production expense increased as compared with 2014 due to the following:

- an increase in lease operating expense and transportation and gathering expense due to higher onshore US production, including the addition of production from our Eagle Ford and Permian assets in third quarter 2015;
- an increase in transportation and gathering expense rates due to service contracts with CONE Gathering LLC, our equity method investee;

partially offset by:

- focused cost reduction and efficiency initiatives;
- decreased lease operating expense due to the sale of our China assets at the end of the second quarter 2014;
- decreased production and ad valorem taxes due to lower revenues resulting from the decline in commodity prices in the US as well as the sale of our China assets at the end of the second quarter 2014; and
- decreased lease operating expense in Gulf of Mexico due to ceased operations at South Raton and natural field decline.

While total production expense increased for the respective periods compared to 2014, costs on a per Boe basis declined as a result of increased production, product mix and focus on cost reduction initiatives and operational efficiencies.

Exploration Expense Components of exploration expense were as follows:

(millions)	Total	United States	West Africa ⁽¹⁾	Eastern Mediterranean ⁽²⁾	Other Int'l, Corporate ⁽³⁾
Three Months Ended September 30, 2015					
Dry Hole Expense	\$ 135	\$ —	\$ 27	\$ —	\$ 108
Seismic	—	—	—	—	—
Staff Expense	24	—	—	2	22
Other ⁽⁴⁾	44	44	—	—	—
Total Exploration Expense	\$ 203	\$ 44	\$ 27	\$ 2	\$ 130
Three Months Ended September 30, 2014					
Dry Hole Expense	\$ 161	\$ 79	\$ —	\$ —	\$ 82
Seismic	22	4	12	1	5
Staff Expense	22	4	2	4	12
Other	12	12	—	—	—
Total Exploration Expense	\$ 217	\$ 99	\$ 14	\$ 5	\$ 99
Nine Months Ended September 30, 2015					
Dry Hole Expense	\$ 154	\$ 18	\$ 27	\$ —	\$ 109
Seismic	3	2	—	—	1
Staff Expense	81	5	2	11	63
Other ⁽⁴⁾	70	70	—	—	—
Total Exploration Expense	\$ 308	\$ 95	\$ 29	\$ 11	\$ 173
Nine Months Ended September 30, 2014					
Dry Hole Expense	\$ 163	\$ 81	\$ —	\$ —	\$ 82
Seismic	54	19	12	3	20
Staff Expense	90	22	6	9	53
Other	43	43	—	—	—
Total Exploration Expense	\$ 350	\$ 165	\$ 18	\$ 12	\$ 155

⁽¹⁾ West Africa includes Equatorial Guinea, Cameroon, Sierra Leone, and Gabon.

⁽²⁾ Eastern Mediterranean includes Israel and Cyprus.

⁽³⁾ Other International, Corporate includes the Falkland Islands, other new ventures and corporate expenditures.

⁽⁴⁾ Includes leasehold impairment, including one lease related to deepwater Gulf of Mexico

Exploration expense for third quarter and first nine months of 2015 included:

- dry hole cost related to exploratory wells, including onshore US; Cheetah, offshore Cameroon; and Humpback, Falkland Islands;
- leasehold impairment, including one lease related to deepwater Gulf of Mexico of \$41 million; and
- salaries and related expenses for corporate exploration and new ventures personnel.

Exploration expense for third quarter and first nine months of 2014 included the following:

- dry hole cost related to the Bright exploratory well, deepwater Gulf of Mexico, the Scotia exploratory well, offshore Falkland Islands, and other miscellaneous charges;
- seismic expense related to 3D seismic acquisition in the deepwater Gulf of Mexico, Equatorial Guinea, and Falkland Islands; and
- salaries and related expenses for corporate exploration and new ventures personnel.

Depreciation, Depletion and Amortization DD&A expense was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
DD&A Expense (millions) ⁽¹⁾	\$ 539	\$ 460	\$ 1,444	\$ 1,297
Unit Rate per BOE ⁽²⁾	\$ 15.75	\$ 16.98	\$ 16.21	\$ 16.67

⁽¹⁾ For DD&A expense by geographical area, see [Item 1. Financial Statements – Note 13. Segment Information](#).

⁽²⁾ Consolidated unit rates exclude sales volumes and expenses attributable to equity method investees.

Total DD&A expense for third quarter and first nine months of 2015 increased as compared with 2014 due to the following:

- the addition of Eagle Ford and Permian production in third quarter 2015; and
- an increase in the DJ Basin and Marcellus Shale due to higher sales volumes;

partially offset by:

- a decrease in sales volumes from our deepwater Gulf of Mexico operations; and
- a decrease due to the sale of our China assets during 2014.

The decrease in the unit rate per BOE for the third quarter and first nine months of 2015 as compared with 2014 was due primarily to the change in mix of production. Higher-cost production volumes in the DJ Basin were offset by an increase in lower cost volumes produced at Tamar, offshore Israel as well as lower DD&A rates attributable to the Eagle Ford and Permian production.

Other than the addition of proved reserves resulting from the Rosetta Merger, during the third quarter 2015 there were no significant changes to our proved reserves estimates at December 31, 2014. Estimates of proved reserves significantly affect our DD&A expense. Holding other factors constant, a decline in proved reserves estimates caused by decreases in the 12-month average commodity prices, will result in an increase in DD&A expense in future periods, which would reduce earnings.

General and Administrative Expense General and administrative expense (G&A) was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
G&A Expense (millions)	\$ 109	\$ 132	\$ 308	\$ 399
Unit Rate per BOE ⁽¹⁾	\$ 3.19	\$ 4.89	\$ 3.46	\$ 5.12

⁽¹⁾ Consolidated unit rates exclude sales volumes and expenses attributable to equity method investees.

G&A expense for third quarter and first nine months of 2015 decreased as compared with 2014 primarily due to cost savings initiatives, including reduced use of contractors and consultants and decreased special projects and other discretionary expenses, and decreases in employee personnel costs.

Asset Impairment Expense Asset impairment expense was as follows:

<i>(millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Asset Impairments	\$ —	\$ 33	\$ 43	\$ 164

See [Item 1. Financial Statements – Note 2. Basis of Presentation](#), [Note 5. Asset Impairments](#) and [Note 8. Fair Value Measurements and Disclosures](#).

Other Operating (Income) Expense Other operating (income) expense was as follows:

<i>(millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Midstream Gathering and Processing Expense	\$ 4	\$ 1	\$ 10	\$ 8
Corporate Restructuring Expense	21	—	39	—
Stacked Drilling Rig Expense	13	—	20	—
Pension Plan Expense	67	—	88	—
Rosetta Merger Expenses	71	—	73	—
Gain on Divestitures	—	(30)	—	(72)
Other, Net	6	10	22	33
Total	\$ 182	\$ (19)	\$ 252	\$ (31)

[See Item 1. Financial Statements – Note 2. Basis of Presentation.](#)

Other (Income) Expense

Other (income) expense was as follows:

<i>(millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Gain on Commodity Derivative Instruments	\$ (267)	\$ (385)	\$ (331)	\$ (74)
Interest, Net of Amount Capitalized	71	52	183	151
Other Non-Operating (Income) Expense, Net	(12)	(13)	(20)	1
Total	\$ (208)	\$ (346)	\$ (168)	\$ 78

Gain on Commodity Derivative Instruments Gain on commodity derivative instruments is a result of mark-to-market accounting. Many factors impact a gain or loss on commodity derivative instruments including: increases and decreases in the commodity forward price curves compared to the terms of our executed commodity instruments; increases in notional volumes; and the mix of instruments between NYMEX WTI, Dated Brent and NYMEX Henry Hub commodities. [See Item 1. Financial Statements – Note 6. Derivative Instruments and Hedging Activities](#) and [Note 8. Fair Value Measurements and Disclosures](#).

Interest Expense and Capitalized Interest Interest expense and capitalized interest were as follows:

<i>(millions, except unit rate)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Interest Expense, Gross	\$ 110	\$ 79	\$ 294	\$ 238
Capitalized Interest	(39)	(27)	(111)	(87)
Interest Expense, Net	\$ 71	\$ 52	\$ 183	\$ 151
Unit Rate per BOE ⁽¹⁾	\$ 2.08	\$ 1.93	\$ 2.05	\$ 1.94

⁽¹⁾ Consolidated unit rates exclude sales volumes and expenses attributable to equity method investees.

The increase in interest expense, gross, for third quarter and first nine months of 2015 as compared with 2014 is due to the senior notes assumed by us in the Rosetta Merger during third quarter 2015 as well as the issuance of new senior debt in November 2014. During the first nine months of 2015, we drew down and repaid amounts under our Credit Facility.

The increase in capitalized interest for third quarter and first nine months of 2015 as compared with 2014 is primarily due to higher work in progress amounts related to major long-term projects in deepwater Gulf of Mexico, offshore West Africa, and offshore Israel, as well as expansion of midstream infrastructure in the DJ Basin.

Income Tax Provision

[See Item 1. Financial Statements – Note 12. Income Taxes](#) for a discussion of the change in our effective tax rate for third quarter and first nine months of 2015 as compared with 2014.

LIQUIDITY AND CAPITAL RESOURCES

Capital Structure/Financing Strategy

In seeking to effectively fund and monetize our discovered hydrocarbons, we employ a capital structure and financing strategy designed to provide sufficient liquidity throughout the volatile commodity price cycle, including the current downturn in commodity prices. Specifically, we strive to retain the ability to fund long cycle, multi-year, capital intensive development projects throughout a range of scenarios, while also funding a continuing exploration program and maintaining capacity to capitalize periodically on financially attractive mergers and acquisitions opportunities.

We endeavor to maintain an investment grade debt rating in service of these objectives, while delivering competitive returns and a growing dividend. We utilize a commodity price hedging program to reduce the impacts of commodity price volatility and enhance the predictability of cash flows along with a risk and insurance program to protect against disruption to our cash flows and the funding of our business.

We strive to maintain a minimum liquidity level to address volatility and risk. Traditional sources of our liquidity are cash flows from operations, cash on hand, available borrowing capacity under our Credit Facility, and proceeds from sales of non-core properties.

We occasionally access the capital markets to ensure adequate liquidity exists in the form of unutilized capacity under our Credit Facility or to refinance scheduled debt maturities. On March 3, 2015, we closed an underwritten public offering of 21 million shares of common stock, par value \$0.01 per share, at a price to the public of \$47.50 per share. In addition, on March 25, 2015, we completed the issuance of an additional 3.15 million shares of common stock, par value \$0.01 per share, in connection with the exercise of the option of the underwriters to purchase additional shares of common stock. The aggregate net proceeds of the offerings were approximately \$1.1 billion (after deducting underwriting discounts and commissions and estimated offering expenses). We used approximately \$150 million of the net proceeds to repay outstanding indebtedness under our revolving Credit Facility and the remainder was used for general corporate purposes, including the funding of our capital investment program.

In July 2015, we completed the Rosetta Merger, which complements and expands our current portfolio. The merger was effected through the issuance of approximately 41 million shares of common stock in exchange for all outstanding shares of Rosetta using a ratio of 0.542 of a share of Noble Energy common stock for each share of Rosetta common stock and the assumption of Rosetta's liabilities, including approximately \$2 billion fair value of outstanding debt.

As discussed previously, we also intend to reduce our economic interest in our DJ Basin midstream assets through the formation and initial public offering of a master limited partnership. Certain of the net after-tax proceeds from the transaction will be used to make a distribution to Noble Energy.

We also consider repatriations of foreign cash to increase our financial flexibility and fund our capital investment program to the extent such cash is not required to fund foreign investment projects and would not incur material incremental US tax. During third quarter 2015, we repatriated \$412 million from our foreign operations. We do not expect to incur material incremental US tax on these repatriations due to foreign tax credit and net operating loss usage.

We also evaluate potential strategic farm-out arrangements of our working interests for reimbursement of our capital spending and may consider other sources of funding.

Cash on hand at September 30, 2015 totaled \$1.0 billion, which includes both domestic and foreign cash, and there were no amounts outstanding under our Credit Facility. [See Item 1. Financial Statements – Note 7. Debt and Credit Facility](#), below.

Driven by the current commodity price environment, and despite a 36% reduction in capital spending versus the same period of 2014, capital expenditures exceeded cash flows from operating activities for the first nine months of 2015. Moving forward, we aim to invest capital at a level aligned with current operating cash flows. Our financial capacity and lack of near-term debt maturities, coupled with our diversified global portfolio, provides us with flexibility in our investment decisions including execution of our major development projects and exploration activity.

To support our investment program, we expect that higher production resulting from our core onshore US development programs, including production from our Texas assets, combined with new production from the Big Bend and Dantzer development projects and increased peak deliverability resulting from the Tamar compression project, presuming no significant deterioration of prices, will result in an increase in cash flows which will be available to meet a portion of future capital commitments in 2016 and subsequent years. [See Results of Operations](#) above.

We are currently evaluating potential development and/or financing scenarios for our significant natural gas discoveries offshore Eastern Mediterranean. The magnitude of these discoveries presents technical and financial challenges for us due to the large-scale development requirements. Each of these development options, including the development of Leviathan Phase 1, would require a multi-billion dollar investment and require a number of years to complete. We are currently working to resolve antitrust and other regulatory matters with the Israeli government to enable Leviathan and other development to move forward. [See Executive Overview – Update on Core Area – Israel](#), above.

Pension Plan In third quarter 2015, we completed the process of terminating our noncontributory, tax-qualified defined benefit pension plan through the purchase of annuities for the remaining participants. As a result, we expensed all remaining unamortized prior service costs and actuarial losses from AOCL. For the nine months ended September 30, 2015, we have expensed \$88 million related to the termination of the plan. As of September 30, 2015, we have \$16 million remaining in AOCL related to our Restoration Plan.

Available Liquidity Information regarding cash and debt balances is as follows:

	September 30, 2015	December 31, 2014
<i>(millions, except percentages)</i>		
Cash and Cash Equivalents	\$ 1,028	\$ 1,183
Amount Available to be Borrowed Under Credit Facility ⁽¹⁾	4,000	4,000
Total Liquidity	\$ 5,028	\$ 5,183
Total Debt ⁽²⁾	\$ 7,997	\$ 6,197
Total Shareholders' Equity	12,450	10,325
Ratio of Debt-to-Book Capital ⁽³⁾	39%	38%

⁽¹⁾ See *Credit Facility*, below.

⁽²⁾ Total debt includes capital lease obligations and excludes unamortized debt discount/premium.

⁽³⁾ We define our ratio of debt-to-book capital as total debt (which includes long-term debt excluding unamortized discount, the current portion of long-term debt, and short-term borrowings) divided by the sum of total debt plus shareholders' equity.

Cash and Cash Equivalents We had approximately \$1.0 billion in cash and cash equivalents at September 30, 2015, primarily denominated in US dollars and invested in money market funds and short-term deposits with major financial institutions. Approximately \$564 million of this cash is attributable to our foreign subsidiaries and a portion would be subject to US income taxes if repatriated.

Credit Facility In the third quarter 2015, we entered into the Second Amendment to our Credit Agreement which, among other things, extended the maturity date of our Credit Agreement from October 3, 2018 to August 27, 2020. The commitment is \$4.0 billion through the maturity date of the Credit Facility. As of September 30, 2015, no amounts were outstanding under the Credit Facility. Borrowings under our Credit Facility subject us to interest rate risk. [See Item 1, Financial Statements – Note 7, Debt](#) and [Item 3, Quantitative and Qualitative Disclosures About Market Risk](#).

Commodity Derivative Instruments We use various derivative instruments in connection with anticipated crude oil and natural gas sales to minimize the impact of product price fluctuations and ensure cash flow for future capital needs. Such instruments may include variable to fixed price commodity swaps, two-way collars, three-way collars and/or extendable swaps.

Current period settlements on commodity derivative instruments impact our liquidity, since we are either paying cash to, or receiving cash from, our counterparties.

A significant portion of the hedged revenues are attributable to three-way collars. When commodities trade below the strike price of the sold put option contract of the three-way collar, the cash settlements received by us are limited. However, we still receive the cash market price plus the delta between the purchased put option floor price of the two-way collar contract and the sold put option strike price.

We net settle by counterparty based on netting provisions within the master agreements. None of our counterparty agreements contain margin requirements.

Commodity derivative instruments are recorded at fair value in our consolidated balance sheets, and changes in fair value are recorded in earnings in the period in which the change occurs. As of September 30, 2015, the fair value of our commodity derivative assets was \$754 million and we had no derivative liabilities (after consideration of netting provisions within our master agreements). In connection with the Rosetta Merger on July 20, 2015, we acquired commodity derivative assets. [See Item 1, Financial Statements – Note 3, Rosetta Merger](#) and [Note 8, Fair Value Measurements and Disclosures](#), for a description of the methods we use to estimate the fair values of commodity derivative instruments, and *Credit Risk*, below.

Credit Risk We monitor the creditworthiness of our trade creditors, joint venture partners, hedging counterparties, and financial institutions on an ongoing basis. Some of these entities are not as creditworthy as we are and may experience credit downgrades or liquidity problems. Counterparty credit downgrades or liquidity problems could result in a delay in our receiving proceeds from commodity sales, reimbursement of joint venture costs, and potential delays in our major development projects. We are unable to predict sudden changes in a party's creditworthiness or ability to perform. Even if we do accurately predict such sudden changes, our ability to negate these risks may be limited and we could incur significant financial losses.

In addition, nonoperating partners often must obtain financing for their share of capital cost for development projects. A partner's inability to obtain financing could result in a delay of our joint development projects.

Credit enhancements have been obtained from some parties in the form of parental guarantees, letters of credit or credit insurance; however, not all of our counterparty credit is protected through guarantees or credit support. Nonperformance by a trade creditor, joint venture partner, hedging counterparty or financial institution could result in significant financial losses.

Contractual Obligations

CONSOL Carried Cost Obligation See [Item 1. Financial Statements - Note 14. Commitments and Contingencies](#).

Exploration Commitments The terms of some of our production sharing contracts, licenses or concession agreements require us to conduct certain exploration activities, including drilling one or more exploratory wells or acquiring seismic data, within specific time periods. At September 30, 2015, we have the following commitments:

- remaining three-well obligation in Nevada;
- one-well obligation offshore Cyprus;
- two-well obligation offshore Falkland Islands, including the Humpback well which resulted in dry hole expense of \$108 million; and
- 3D seismic obligation offshore Gabon.

We have completed the Cheetah exploration well in the Tilapia license offshore Cameroon, which reached the targeted Cretaceous interval. Other than plugging and abandoning this well, we have no other exploration obligations related to offshore Cameroon. See [Executive Overview – Exploration Program Update](#), above.

These obligations extend over a period ranging from one to four years. Failure to conduct exploration activities within the prescribed periods could lead to loss of leases or exploration rights.

Ratings Triggers We do not have triggers on any of our corporate debt that would cause an event of default in the case of a downgrade of our credit rating. In addition, there are no existing ratings triggers in any of our commodity hedging agreements that would require the posting of collateral. However, a series of downgrades or other negative rating actions could significantly alter our requirements to post collateral as financial assurance of performance under certain other contractual arrangements such as pipeline transportation contracts, crude oil and natural gas sales contracts, work commitments and certain abandonment obligations. A requirement to post collateral could have a negative impact on our liquidity.

Cash Flows

Cash flow information is as follows:

	Nine Months Ended September 30,	
	2015	2014
<i>(millions)</i>		
Total Cash Provided By (Used in)		
Operating Activities	\$ 1,486	\$ 2,703
Investing Activities	(2,393)	(3,175)
Financing Activities	752	524
Increase (Decrease) in Cash and Cash Equivalents	\$ (155)	\$ 52

Operating Activities Net cash provided by operating activities for the first nine months of 2015 decreased significantly as compared with 2014. Significant decreases in average realized commodity prices were partially offset by increases in sales volumes, more favorable settlements of commodity derivatives, and a decrease in general and administrative expense. Working capital changes contributed \$74 million of negative operating cash flow in the first nine months of 2015 as compared with a positive impact of \$286 million in the first nine months of 2014.

Investing Activities Our investing activities include capital spending on a cash basis for oil and gas properties and investments in unconsolidated subsidiaries accounted for by the equity method. These investing activities may be offset by proceeds from property sales or dispositions, including farm-in arrangements, which may result in reimbursement for capital spending that had occurred in prior periods. Capital spending for property, plant and equipment decreased by \$1.1 billion during the first nine months of 2015 as compared with 2014, primarily due to a reduced capital spending program. Investing activities included \$86 million in CONE Gathering LLC during the first nine months of 2015 as compared with \$58 million in the first nine months of 2014. We received \$151 million in proceeds from asset divestitures during the first nine months of 2015, as compared with \$312 million during the same period in 2014.

Financing Activities Our financing activities include the issuance or repurchase of our common stock, payment of cash dividends on our common stock, the borrowing of cash and the repayment of borrowings. During the first nine months of 2015, funds were provided by cash proceeds from the issuance of shares of Company common stock to the public (\$1.1 billion) and the exercise of stock options (\$7 million). We used cash to pay dividends on our common stock (\$214 million), make principal payments related to capital lease obligations (\$49 million) and repurchase shares of our common stock (\$20 million).

In comparison, during the first nine months of 2014, funds were provided by cash proceeds from, and tax benefits related to, the exercise of stock options (\$45 million) and net cash proceeds from our Credit Facility (\$900 million). We also used cash to

pay dividends on our common stock (\$182 million), repay senior notes (\$200 million), make principal payments related to capital lease obligations (\$42 million) and repurchase shares of our common stock (\$15 million).

[See Item 1. Financial Statements – Consolidated Statements of Cash Flows.](#)

Investing Activities

Acquisition, Capital and Exploration Expenditures Information for investing activities (on an accrual basis) is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
<i>(millions)</i>				
Acquisition, Capital and Exploration Expenditures				
Unproved Property Acquisition ⁽¹⁾	\$ 21	\$ 42	\$ 86	\$ 171
Exploration	117	191	257	419
Development	458	976	1,695	2,617
Midstream	26	80	123	175
Corporate and Other	21	28	78	118
Total	\$ 643	\$ 1,317	\$ 2,239	\$ 3,500
Other				
Investment in Equity Method Investee ⁽²⁾	\$ 21	\$ 18	\$ 86	\$ 58
Increase in Capital Lease Obligations	\$ 29	\$ 60	\$ 60	\$ 81

⁽¹⁾ Unproved property acquisition cost for 2015 includes \$37 million in the DJ Basin and \$43 million in the Marcellus Shale. Unproved property acquisition cost for 2014 includes \$55 million in the DJ Basin, \$98 million in the Marcellus Shale, and \$16 million in the deepwater Gulf of Mexico.

⁽²⁾ Investment in equity method investee represents primarily contributions to CONE Gathering LLC which owns and operates the natural gas gathering infrastructure associated with our Marcellus Shale joint venture.

Total expenditures decreased during the first nine months of 2015 as compared with 2014 due to our reduced capital spending program. See [Operating Outlook – 2015 Capital Investment Program](#), above.

On July 20, 2015, we closed the Rosetta Merger and preliminarily allocated \$1.5 billion and \$1.2 billion to proved and unproved oil and properties, respectively. See [Item 1 Financial Statements – Note 3. Rosetta Merger](#).

Financing Activities

Long-Term Debt Our principal source of liquidity is our Credit Facility that matures August 27, 2020. At September 30, 2015, there were no borrowings outstanding under the Credit Facility, leaving \$4.0 billion available for use. We may rely on our Credit Facility to help fund our capital investment program, and may periodically borrow amounts for working capital purposes. In connection with the Rosetta Merger, we assumed additional debt, including senior notes and amounts outstanding under Rosetta's revolving credit facility. On July 21, 2015, we repaid the \$70 million of outstanding borrowings under Rosetta's revolving credit facility and terminated this credit facility. See [Item 1 Financial Statements – Note 3. Rosetta Merger](#).

Our outstanding fixed-rate debt (excluding capital lease obligations) totaled approximately \$7.7 billion at September 30, 2015. The weighted average interest rate on fixed-rate debt was 5.71%, with maturities ranging from March 2019 to August 2097.

Dividends We paid total cash dividends of 54 cents per share of our common stock during the first nine months of 2015 and 50 cents per share during the first nine months of 2014.

On October 20, 2015, the Board of Directors declared a quarterly cash dividend of 18 cents per common share, which will be paid on November 16, 2015 to shareholders of record on November 2, 2015. The amount of future dividends will be determined on a quarterly basis at the discretion of our Board of Directors and will depend on earnings, financial condition, capital requirements and other factors.

Exercise of Stock Options We received cash proceeds from the exercise of stock options of \$7 million during the first nine months of 2015 and \$45 million during the first nine months of 2014.

Common Stock Repurchases We receive shares of common stock from employees for the payment of withholding taxes due on the vesting of restricted shares issued under stock-based compensation plans. We received 481,229 shares with a value of \$20 million during the first nine months of 2015 and 253,094 shares with a value of \$15 million during the first nine months of 2014.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Commodity Price Risk

Derivative Instruments Held for Non-Trading Purposes We are exposed to market risk in the normal course of business operations, and the volatility of crude oil and natural gas prices continues to impact the oil and gas industry. Due to the volatility of crude oil and natural gas prices, we continue to use derivative instruments as a means of managing our exposure to price changes.

At September 30, 2015, we had various open commodity derivative instruments related to crude oil, natural gas and NGL sales. Changes in fair value of commodity derivative instruments are reported in earnings in the period in which they occur. Our open commodity derivative instruments were in a net asset position with a fair value of \$748 million. Based on the September 30, 2015 published commodity futures price curves for the underlying commodities, a hypothetical price increase of \$10.00 per Bbl for crude oil would decrease the fair value of our net commodity derivative asset by approximately \$149 million. A hypothetical price increase of \$0.50 per MMBtu for natural gas would decrease the fair value of our net commodity derivative asset by approximately \$39 million. We acquired a small portfolio of NGL hedges in the Rosetta Merger. These derivative contracts expire at the end of 2015 and consist of various Mont Belvieu price indices. We have not entered into any additional hedges for NGLs beyond 2015 and a hypothetical 10% price increase per Bbl for NGLs would decrease the fair value of our net commodity derivative asset by approximately \$1 million. Our derivative instruments are executed under master agreements which allow us, in the event of default, to elect early termination of all contracts with the defaulting counterparty. If we choose to elect early termination, all asset and liability positions with the defaulting counterparty would be net cash settled at the time of election. [See Item 1. Financial Statements – Note 6. Derivative Instruments and Hedging Activities.](#)

Interest Rate Risk

Changes in interest rates affect the amount of interest we pay on borrowings under our Credit Facility and the amount of interest we earn on our short-term investments.

At September 30, 2015, we had approximately \$7.7 billion (excluding capital lease obligations) of long-term debt outstanding. Of this amount, \$7.7 billion was fixed-rate debt with a weighted average interest rate of 5.71%. Although near term changes in interest rates may affect the fair value of our fixed-rate debt, they do not expose us to the risk of earnings or cash flow loss.

There was no variable-rate debt outstanding at September 30, 2015. Variable-rate debt exposes us to the risk of earnings or cash flow loss due to increases in market interest rates. We are also exposed to interest rate risk related to our interest-bearing cash and cash equivalents balances. As of September 30, 2015, our cash and cash equivalents totaled approximately \$1.0 billion, approximately 15% of which was invested in money market funds and short-term investments with major financial institutions. A change in the interest rate applicable to our variable-rate debt or our short term investments would have a de minimis impact. We currently have no interest rate derivative instruments outstanding. However, we may enter into interest rate derivative instruments in the future if we determine that it is necessary to invest in such instruments in order to mitigate our interest rate risk.

Foreign Currency Risk

The US dollar is considered the functional currency for each of our international operations. Substantially all of our international crude oil, natural gas and NGL production is sold pursuant to US dollar denominated contracts. Transactions, such as operating costs and administrative expenses that are paid in a foreign currency, are remeasured into US dollars and recorded in the financial statements at prevailing currency exchange rates. Certain monetary assets and liabilities, such as taxes payable in foreign tax jurisdictions, are settled in the foreign local currency. A reduction in the value of the US dollar against currencies of other countries in which we have material operations could result in the use of additional cash to settle operating, administrative, and tax liabilities.

Net transaction gains and losses were de minimis for third quarter of each of 2015 and 2014.

We currently have no foreign currency derivative instruments outstanding. However, we may enter into foreign currency derivative instruments (such as forward contracts, costless collars or swap agreements) in the future if we determine that it is necessary to invest in such instruments in order to mitigate our foreign currency exchange risk.

Disclosure Regarding Forward-Looking Statements

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements give our current expectations or forecasts of future events. These forward-looking statements include, among others, the following:

- our growth strategies;
- our ability to successfully and economically explore for and develop crude oil and natural gas resources;
- anticipated trends in our business;

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- our future results of operations;
- our liquidity and ability to finance our exploration and development activities;
- market conditions in the oil and gas industry;
- our ability to make and integrate acquisitions;
- the impact of governmental fiscal terms and/or regulation, such as those involving the protection of the environment or marketing of production, as well as other regulations; and
- access to resources.

Forward-looking statements are typically identified by use of terms such as “may,” “will,” “expect,” “believe,” “anticipate,” “estimate,” “intend,” and similar words, although some forward-looking statements may be expressed differently. These forward-looking statements are made based upon our current plans, expectations, estimates, assumptions and beliefs concerning future events impacting us and therefore involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements. You should consider carefully the statements under Item 1A. Risk Factors included in our Annual Report on Form 10-K for the year ended December 31, 2014, which describe factors that could cause our actual results to differ from those set forth in the forward-looking statements. Our Annual Report on Form 10-K for the year ended December 31, 2014 is available on our website at www.nobleenergyinc.com.

Item 4. Controls and Procedures

Based on the evaluation of our disclosure controls and procedures by our principal executive officer and our principal financial officer, as of the end of the period covered by this quarterly report, each of them has concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)), are effective. There were no changes in internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) that occurred during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

See discussion of legal proceedings in [Part I. Financial Information, Item 1. Financial Statements - Note 14. Commitments and Contingencies](#) of this Form 10-Q, which is incorporated by reference into this Part II. Item 1, as well as discussion in Item 3. Legal Proceedings, of our Annual Report on Form 10-K for the year ended December 31, 2014.

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2014.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth, for the periods indicated, our share repurchase activity:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
				(in thousands)
7/1/2015 - 7/31/2015	204,367	\$ 36.98	—	—
8/1/2015 - 8/31/2015	2,061	34.03	—	—
9/1/2015 - 9/30/2015	21,204	31.25	—	—
Total	227,632	\$ 36.42	—	—

⁽¹⁾ Stock repurchases during the period related to common stock received by us from employees for the payment of withholding taxes due on shares of common stock issued under stock-based compensation plans.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

The information required by this Part II. Item 6 is set forth in the Index to Exhibits accompanying this quarterly report on Form 10-Q and is incorporated by reference into this Part II. Item 6.

Signatures

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

NOBLE ENERGY, INC.
(Registrant)

Date November 2, 2015

/s/ Kenneth M. Fisher

Kenneth M. Fisher
Executive Vice President, Chief Financial Officer

Index to Exhibits

Exhibit Number	Exhibit
2.1	Agreement and Plan of Merger, dated as of May 10, 2015, by and among Noble Energy, Inc., Bluebonnet Merger Sub Inc. and Rosetta Resources Inc., filed as Exhibit 2.1 to the Registrant's Current Report on Form 8-K (Date of Event: May 10, 2015) filed on May 11, 2015 and incorporated herein by reference.
3.1	Certificate of Incorporation of the Registrant (as amended through April 29, 2015), filed as Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 and incorporated herein by reference.
3.2	By-Laws of Noble Energy, Inc. (as amended through October 20, 2015), filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K (Date of Event: October 20, 2015) filed on October 22, 2015 and incorporated herein by reference.
4.1	Sixth Supplemental Indenture, dated as of July 29, 2015, to Indenture, dated as of February 27, 2009, between Noble Energy, Inc. and Wells Fargo Bank, National Association, as trustee, relating to the Registrant's 5.625% Senior Notes due 2021, 5.875% Senior Notes due 2022 and 5.875% Senior Notes due 2044 (including the forms of 2021 Notes, 2022 Notes and 2024 Notes) filed as Exhibit 4.2 to the Registrant's Current Report on Form 8-K (Date of Event: July 29, 2015) filed July 31, 2015 and incorporated herein by reference.
10.1	Second Amendment to Credit Agreement, dated August 27, 2015, by and among Noble Energy, Inc., NBL International Finance B.V., JPMorgan Chase Bank, N.A., as administrative agent, Citibank N.A., as syndication agent, and Bank of America, N.A., Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd. and DNB Bank ASA, New York Branch, as documentation agents, and the other commercial lending institutions party thereto filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K (Date of Event: August 27, 2015) filed August 31, 2015 and incorporated herein by reference.
10.2	Noble Energy, Inc. 1992 Stock Option and Restricted Stock Plan (as amended and restated effective October 20, 2015), filed herewith.
10.3	2005 Stock Plan for Non-Employee Directors of Noble Energy, Inc. (as amended and restated effective October 20, 2015), filed herewith.
10.4	2015 Stock Plan for Non-Employee Directors of Noble Energy, Inc. (as amended and restated effective October 20, 2015), filed herewith.
12.1	Calculation of ratio of earnings to fixed charges, filed herewith.
31.1	Certification of the Company's Chief Executive Officer Pursuant To Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 7241), filed herewith.
31.2	Certification of the Company's Chief Financial Officer Pursuant To Section 302 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 7241), filed herewith.
32.1	Certification of the Company's Chief Executive Officer Pursuant To Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), filed herewith.
32.2	Certification of the Company's Chief Financial Officer Pursuant To Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350), filed herewith.
101.INS	XBRL Instance Document

101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document
101.DEF	XBRL Definition Linkbase Document

NOBLE ENERGY, INC.

1992 STOCK OPTION AND RESTRICTED STOCK PLAN

(As Amended and Restated Effective October 20, 2015)

Section 1. Purpose

The purpose of this Plan is to assist Noble Energy, Inc., a Delaware corporation, in attracting and retaining, as officers and key employees of the Company and its Affiliates, persons of training, experience and ability and to furnish additional incentive to such persons by encouraging them to become owners of Shares of the Company's capital stock, by granting to such persons Incentive Options, Nonqualified Options, Restricted Stock, or any combination of the foregoing.

Section 2. Definitions

Unless the context otherwise requires, the following words as used herein shall have the following meanings:

(a) "Affiliate" means any corporation or other type of entity in a chain of corporations or other entities in which each corporation or other entity has a controlling interest in another corporation or other entity in the chain, starting with the Company and ending with the corporation or other entity that has a controlling interest in the corporation or other entity for which the Employee provides direct services. For purposes of this Affiliate definition, the term "controlling interest" has the same meaning as provided in Treasury Regulation section 1.414(c)-2(b)(2)(i), except that the phrase "at least 50 percent" shall be used instead of the phrase "at least 80 percent" in each place the phrase "at least 80 percent" appears in Treasury Regulation section 1.414(c)-2(b)(2)(i).

(b) "Agreement" means the written agreement (i) between the Company and the Optionee evidencing the Option and any SARs that relate to such Option granted by the Company and the understanding of the parties with respect thereto or (ii) between the Company and a recipient of a Restricted Stock award, a Cash Award or a Performance Award evidencing the restrictions, terms and conditions applicable to such award and the understanding of the parties with respect thereto. In the event of any inconsistency between the Plan and an Agreement, the Plan shall govern.

(c) "Board" means the Board of Directors of the Company as the same may be constituted from time to time.

(d) "Cash Award" means an award for the payment of a cash bonus that has been awarded pursuant to Section 16 of the Plan.

(e) A "Change in Control" shall have occurred if:

(i) individuals who, as of April 28, 2015, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least fifty-one percent (51%) of the Board,

provided that any person becoming a director subsequent to April 28, 2015 whose election, or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be, for purposes of this Plan, considered as though such person were a member of the Incumbent Board;

(ii) the consummation of a reorganization, merger or consolidation, in each case, with respect to which persons who were the stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own outstanding voting securities representing at least fifty-one percent (51%) of the combined voting power entitled to vote generally in the election of directors ("Voting Securities") of the reorganized, merged or consolidated company;

(iii) the stockholders of the Company shall approve a liquidation or dissolution of the Company or a sale of all or substantially all of the stock or assets of the Company; or

(iv) any "person," as that term is defined in Section 3(a)(9) of the Exchange Act (other than the Company, any of its subsidiaries, any employee benefit plan of the Company or any of its subsidiaries, or any entity organized, appointed or established by the Company for or pursuant to the terms of such a plan), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Exchange Act) of such person (as well as any "Person" or "group" as those terms are used in Sections 13(d) and 14(d) of the Exchange Act), shall become the "beneficial owner" or "beneficial owners" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of securities of the Company representing in the aggregate twenty-five percent (25%) or more of either (A) the then outstanding Shares or (B) the Voting Securities of the Company, in either such case other than solely as a result of acquisitions of such securities directly from the Company. Without limiting the foregoing, a person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares the power to vote, or to direct the voting of, or to dispose, or to direct the disposition of, Shares or other Voting Securities of the Company shall be deemed the beneficial owner of such Shares or Voting Securities.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred for purposes of subparagraph (iv) of this Section 2(e) solely as the result of an acquisition of securities by the Company which, by reducing the number of Shares or other Voting Securities of the Company outstanding, increases (1) the proportionate number of Shares beneficially owned by any person to twenty-five percent (25%) or more of the Shares then outstanding or (2) the proportionate voting power represented by the Voting Securities of the Company beneficially owned by any person to twenty-five percent (25%) or more of the combined voting power of all then outstanding Voting Securities; provided, however, that if any person referred to in clause (1) or (2) of this sentence shall thereafter become the beneficial owner of any additional Shares or other Voting Securities of the Company (other than a result of a stock split, stock dividend or similar transaction), then a Change in Control shall be deemed to have occurred for purposes of subparagraph (iv) of this Section 2(e).

- (f) “Code” means the Internal Revenue Code of 1986, as amended.
- (g) “Committee” means the Committee provided for in Section 3 of the Plan as the same may be constituted from time to time.
- (h) “Company” means Noble Energy, Inc., a Delaware corporation.
- (i) “Corporate Transaction” shall have the meaning as defined in Section 8 of the Plan.
- (j) “Disability” means the termination of an employee’s employment with the Company or an Affiliate because of a medically determinable physical or mental impairment (i) that prevents the employee from performing his or her employment duties in a satisfactory manner and is expected either to result in death or to last for a continuous period of not less than twelve months as determined by the Committee, or (ii) for which the employee is eligible to receive disability income benefits under a long-term disability insurance plan maintained by the Company or an Affiliate.
- (k) “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- (l) “Fair Market Value” means, except as provided in the next sentence with respect to grants and awards made prior to April 26, 2011, the closing sales price per Share on the New York Stock Exchange on the date in question (or if there was no reported sale on the New York Stock Exchange on such date, then on the last preceding day on which any reported sale occurred on the New York Stock Exchange). With respect to an Option or SAR that relates to such Option that was granted prior to April 26, 2011, or Shares of Restricted Stock that were awarded prior to April 26, 2011, the following shall apply: “Fair Market Value” means the fair market value per Share as determined by the Committee in good faith; provided, however, that if a Share is listed or admitted to trading on a securities exchange registered under the Exchange Act, the Fair Market Value per Share shall be the average of the reported high and low sales price on the date in question (or if there was no reported sale on such date, on the last preceding date on which any reported sale occurred) on the principal securities exchange on which such Share is listed or admitted to trading, or if a Share is not listed or admitted to trading on any such exchange but is listed as a national market security on the National Association of Securities Dealers, Inc. Automated Quotations System (“NASDAQ”) or any similar system then in use, the Fair Market Value per Share shall be the average of the reported high and low sales price on the date in question (or if there was no reported sale on such date, on the last preceding date on which any reported sale occurred) on such system, or if a Share is not listed or admitted to trading on any such exchange and is not listed as a national market security on NASDAQ but is quoted on NASDAQ or any similar system then in use, the Fair Market Value per Share shall be the average of the closing high bid and low asked quotations on such system for such Share on the date in question; and, provided further, that for purposes of valuing Shares to be made subject to Incentive Options, the Fair Market Value per Share shall be determined without regard to any restriction other than one which, by its terms, will never lapse.

(m) “Good Reason” means any of the following actions if taken by the Company or its Affiliate, as applicable, with respect to and without the prior consent of an Optionee or a recipient of a Restricted Stock award, a Cash Award or a Performance Award:

(i) a material reduction in the individual’s base compensation;

(ii) a material change in the location at which the individual must perform services for the Company or its Affiliate;

(iii) a material reduction in the individual’s authority, duties or responsibilities or in the authority, duties or responsibilities of the supervisor to whom the individual is required to report; or

(iv) a material reduction in the budget over which the individual retains authority.

(n) “Incentive Option” means an Option that is intended to satisfy the requirements of Section 422(b) of the Code.

(o) “Nonqualified Option” means an Option that does not qualify as a statutory stock option under Section 422 or 423 of the Code.

(p) “Non-Employee Director” means a director of the Company who satisfies the definition thereof under Rule 16b-3 promulgated under the Exchange Act.

(q) “Option” means an option to purchase one or more Shares granted under and pursuant to the Plan. Such Option may be either an Incentive Option or a Nonqualified Option.

(r) “Optionee” means a person who has been granted an Option and who has executed an Agreement with the Company.

(s) “Outside Director” means a director of the Company who is an outside director within the meaning of Section 162(m) of the Code and the regulations promulgated thereunder.

(t) “Performance Award” means any Restricted Stock award or Cash Award that has been designated at the time of award as a Performance Award in accordance with the provisions of Section 15 of the Plan.

(u) “Plan” means this Noble Energy, Inc. 1992 Stock Option and Restricted Stock Plan, as amended from time to time.

(v) “Restricted Stock” means Shares issued or transferred pursuant to Section 14 of the Plan.

(w) “Retirement” means a termination of employment with the Company or an Affiliate either (i) on a voluntary basis by a person who (A) is at least 55 years of age with five years of credited service with the Company or one or more Affiliates or (B) has at least 20 years of credited

service with the Company or one or more Affiliates, immediately prior to such termination of employment or (ii) otherwise with the written consent of the Committee in its sole discretion.

(x) “SARs” means stock appreciation rights granted pursuant to Section 7 of the Plan.

(y) “Securities Act” means the Securities Act of 1933, as amended.

(z) “Share” means a share of the Company’s present common stock, par value \$0.01 per share, and any share or shares of capital stock or other securities of the Company hereafter issued or issuable in respect of or in substitution or exchange for each such present share. Such Shares may be unissued or reacquired Shares, as the Board, in its sole and absolute discretion, shall from time to time determine.

(aa) “Termination for Cause” means the termination by the Company or an Affiliate of the employment of an Optionee or the recipient of a Restricted Stock award, a Cash Award or a Performance Award on account of (i) fraud or intentional misrepresentation, or (ii) embezzlement, misappropriation or conversion of assets or opportunities of the Company or its Affiliates.

Section 3. Administration

The Plan shall be administered by, and the decisions concerning the Plan shall be made solely by, a Committee of two or more directors of the Company, all of whom are both Non-Employee Directors and Outside Directors. Each member of the Committee shall be appointed by and shall serve at the pleasure of the Board. The Board shall have the sole continuing authority to appoint members of the Committee. In making grants or awards, the Committee shall take into consideration the contribution the person has made or may make to the success of the Company or its Affiliates and such other considerations as the Board may from time to time specify.

Except to the extent already appointed by the Board, the Committee shall elect one of its members as its chairman, and shall hold its meetings at such times and places as it may determine. A majority of the members of the Committee shall constitute a quorum. All decisions and determinations of the Committee shall be made by the majority vote or decision of the members present at any meeting at which a quorum is present; provided, however, that any decision or determination reduced to writing and signed by all members of the Committee shall be as fully effective as if it had been made by a majority vote or decision at a meeting duly called and held. The Committee may appoint a secretary (who need not be a member of the Committee) who shall keep minutes of its meetings. The Committee may make any rules and regulations for the conduct of its business that are not inconsistent with the express provisions of the Plan, the bylaws or certificate of incorporation of the Company or any resolutions of the Board.

All questions of interpretation or application of the Plan, or of a grant of an Option and any SARs that relate to such Option or of a Restricted Stock award, Cash Award or Performance Award, including questions of interpretation or application of an Agreement, shall be subject to the determination of the Committee, which determination shall be final and binding upon all parties.

Subject to the express provisions of the Plan, the Committee shall have the authority, in its sole and absolute discretion:

- (a) to adopt, amend or rescind administrative and interpretive rules and regulations relating to the Plan;
- (b) to construe the Plan;
- (c) to make all other determinations necessary or advisable for administering the Plan;

(d) to determine the terms and provisions of the respective Agreements (which need not be identical), including provisions defining or otherwise relating to (i) the term and the period or periods and extent of exercisability of Options, (ii) the extent to which transfer restrictions shall apply to Shares issued upon exercise of Options or any SARs that relate to such Options, (iii) the effect of termination of employment upon the exercisability of Options, and (iv) the effect of approved leaves of absence upon the exercisability of Options;

(e) to accelerate, regardless of whether the Agreement so provides, (i) the time of exercisability of any Option and SAR that relates to such Option, (ii) the time of the lapsing of restrictions on any Restricted Stock award that is not a Performance Award, or (iii) the time of the lapsing of restrictions on or for the vesting or payment of any Cash Award that is not a Performance Award (provided that such acceleration does not subject the benefits payable under such Cash Award to the tax imposed by Section 409A of the Code);

(f) subject to Section 13 of the Plan, to amend any Agreement provided that such amendment does not (i) adversely affect the Optionee or awardee under such Agreement in a material way without the consent of such Optionee or awardee, or (ii) cause any benefit provided or payable under such Agreement that is intended to comply with or be exempt from Section 409A of the Code, or intended to be qualified performance-based compensation within the meaning of Treasury Regulation section 1.162-27(e), to fail to comply with or be exempt from Section 409A of the Code or to fail to be qualified performance-based compensation within the meaning of Treasury Regulation section 1.162-27(e), respectively;

(g) to construe the respective Agreements; and

(h) to exercise the powers conferred on the Committee under the Plan.

The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent it shall deem expedient to carry it into effect, and it shall be the sole and final judge of such expediency. The determinations of the Committee on the matters referred to in this Section 3 shall be final and conclusive.

Section 4. Shares Subject to the Plan

(a) The total number of Shares available for grants or awards made under the Plan shall not exceed a maximum of 77,400,000 Shares in the aggregate (the "Plan Share Limit"), which consists of the 71,600,000 Shares available under the Plan prior to the April 28, 2015 amendment and restatement (as adjusted for prior stock splits) plus the additional 5,800,000 Shares approved by the shareholders of the Company on April 28, 2015. The total number of Shares that may be issued on or after April 26, 2011, pursuant to Incentive Options shall not exceed a maximum of

14,000,000 Shares in the aggregate. The total number of Shares for which Options and SARs may be granted, and which may be awarded as Restricted Stock, to any one person during any calendar year shall not exceed a maximum of 800,000 Shares in the aggregate. Each such maximum number of Shares shall be increased or decreased as provided in Section 17 of the Plan.

(b) At any time and from time to time after the Plan takes effect, the Committee, pursuant to the provisions herein set forth, may grant Options and any SARs that relate to such Options and award Restricted Stock until the maximum number of Shares shall be exhausted or the Plan shall be sooner terminated.

(c) For the purpose of determining the number of Shares available for grants or awards made under the Plan:

(i) with respect to grants or awards made under the Plan prior to April 26, 2011, each Share subject to an Option (whether with or without a related SAR), and each Share awarded as Restricted Stock, shall count against the Plan Share Limit as one (1) Share,

(ii) with respect to grants or awards made under the Plan on or after April 26, 2011, each Share subject to an Option (whether with or without a related SAR) shall count against the Plan Share Limit as one (1) Share, and each Share awarded as Restricted Stock shall count against the Plan Share Limit as 2.39 Shares,

(iii) Shares subject to Options (whether with or without related SARs) that expire or are terminated or forfeited prior to exercise, and Shares awarded as Restricted Stock that are forfeited, shall remain available for grants or awards made under the Plan and shall be added back to the number of Shares available for such grants or awards on the same numerical basis as previously counted against the Plan Share Limit,

(iv) Shares (I) tendered or withheld to satisfy an exercise price or tax withholding obligation pertaining to an Option, SAR or Restricted Stock, or (II) repurchased by the Company using Option proceeds, shall not be available for grants or awards made under the Plan and shall not be added to the number of Shares available for grants or awards made under the Plan, and

(v) Upon exercise of an SAR, a corresponding number of Shares subject to option under the related Option shall be canceled. Such canceled Shares shall be charged against the Shares reserved for the Plan, as provided in Section 4 of the Plan, as if the Option had been exercised to such extent and shall not be available for future Option grants or Restricted Stock awards hereunder.

Section 5. Eligibility

The persons who shall be eligible to receive grants of Options and any SARs that relate to such Options, and to receive Restricted Stock awards, Cash Awards or Performance Awards, shall be regular salaried officers or other employees of the Company or one or more of its Affiliates.

Section 6. Grant of Options

(a) From time to time while the Plan is in effect, the Committee may, in its sole and absolute discretion, select from among the persons eligible to receive a grant of Options under the Plan (including persons who have already received such grants of Options) such one or more of them as in the opinion of the Committee should be granted Options. The Committee shall thereupon, likewise in its sole and absolute discretion, determine the number of Shares to be allotted for option to each person so selected.

(b) Each person so selected shall be granted an Option to purchase the number of Shares so allotted to him, upon such terms and conditions, consistent with the provisions of the Plan, as the Committee may specify. Each such person shall have a reasonable period of time, to be fixed by the Committee, within which to accept or reject the granted Option. Failure to accept within the period so fixed may be treated as a rejection.

(c) Each person who accepts an Option offered to him shall enter into an Agreement with the Company, in such form as the Committee may prescribe, setting forth the terms and conditions of the Option. Each Option Agreement shall contain such provisions (including, without limitation, restrictions or the removal of restrictions upon the exercise of the Option and any SARs that relate to such Option and the transfer of Shares thereby acquired) as the Committee shall deem advisable. In the event a person is granted both one or more Incentive Options and one or more Nonqualified Options, such grants shall be evidenced by separate Agreements, one for each Incentive Option grant and one for each Nonqualified Option grant. Unless a subsequent effective date of grant is specified by the Committee, the date on which the Committee approves the grant of an Option to a person, including the specification of the number of Shares to be subject to the Option, shall constitute the date on which the Option covered by such Agreement is granted. Such person shall be notified of his or her grant as soon as practicable following the Committee's approval of such grant, but in no event shall an Optionee gain any rights in addition to those specified by the Committee in its grant, regardless of the time that may pass between the grant of the Option and the actual signing of the Agreement by the Company and the Optionee.

(d) At the time an Option is granted, the Committee may, in its sole and absolute discretion, designate such Option as an Incentive Option intended to qualify under Section 422(b) of the Code; provided, however, that Incentive Options may be granted only to employees of the Company or a "parent corporation" or a "subsidiary corporation" of the Company (which terms, for the purposes of this Section and any Incentive Option granted under the Plan, shall have the meanings set forth in Section 424(e) and (f) of the Code, respectively), and that Incentive Options may not be granted more than 10 years after March 17, 2011, the date the prior Plan restatement was adopted by the Board. Each Agreement relating to an Incentive Option shall contain such limitations and restrictions upon the exercise of the Incentive Option as shall be necessary for the Incentive Option to which such Agreement relates to constitute an incentive stock option, as defined in Section 422(b) of the Code. Any provision of the Plan to the contrary notwithstanding:

(i) no Incentive Option shall be granted to any person who, at the time such Incentive Option is granted, owns shares possessing more than 10 percent of the total

combined voting power of all classes of shares of the Company or of its parent or subsidiary corporation (within the meaning of Section 422(b)(6) of the Code) unless the option price under such Incentive Option is at least 110 percent of the Fair Market Value of the Shares subject to the Incentive Option at the date of its grant and such Incentive Option is not exercisable after the expiration of five years from the date of its grant; and

(ii) to the extent that the aggregate Fair Market Value (determined as of the date the Incentive Option is granted) of the Shares subject to an Incentive Option granted to an Optionee and the aggregate Fair Market Value (determined as of the date the option is granted) of the shares of the Company and its parent and subsidiary corporations (or a predecessor corporation of the Company or any such parent or subsidiary corporation) subject to any other incentive stock option (within the meaning of Section 422(b) of the Code) of the Company and its parent and subsidiary corporations (or a predecessor corporation of the Company or any such parent or subsidiary corporation) granted to such Optionee, that may become exercisable for the first time during any calendar year, exceeds \$100,000, such excess portion of the Option shall be treated as a Nonqualified Option.

(e) Each Agreement that includes SARs in addition to an Option shall comply with the provisions of Section 7 of the Plan.

Section 7. Grant of SARs

The Committee may from time to time grant SARs in conjunction with all or any portion of any Option either (i) at the time of the initial Option grant (not including any subsequent modification that may be treated as a new grant of an Incentive Option for purposes of Section 424(h) of the Code) or (ii) with respect to Nonqualified Options, at any time after the initial Option grant while the Nonqualified Option is still outstanding. SARs shall not be granted other than in conjunction with an Option granted hereunder.

SARs granted hereunder shall comply with the following conditions and also with the terms of the Agreement governing the Option in conjunction with which they are granted:

(a) The SAR shall expire no later than the expiration of the underlying Option.

(b) Upon the exercise of an SAR, the Optionee shall be entitled to receive payment equal to the excess of the aggregate Fair Market Value of the Shares with respect to which the SAR is then being exercised (determined as of the date of such exercise) over the aggregate purchase price of such Shares as provided in the related Option. Payment may be made in Shares, valued at their Fair Market Value on the date of exercise, or in cash, or partly in Shares and partly in cash, as determined by the Committee in its sole and absolute discretion.

(c) SARs shall be exercisable (i) only at such time or times and only to the extent that the Option to which they relate shall be exercisable, (ii) only when the Fair Market Value of the Shares subject to the related Option exceeds the purchase price of the Shares as provided in the related Option, and (iii) only upon surrender of the related Option or any portion thereof with respect to the Shares for which the SARs are then being exercised.

Section 8. Option Price

The option price for each Share covered by an Option shall not be less than the greater of (a) the par value of such Share or (b) the Fair Market Value of such Share at the time such Option is granted. Notwithstanding the preceding sentence, if the Company or an Affiliate agrees to substitute a new Option under the Plan for an old option, or to assume an old option, by reason of a corporate merger, consolidation, acquisition of property or stock, separation, reorganization, or liquidation (any of such events being referred to herein as a “Corporate Transaction”), the option price of the Shares covered by each such new Option or assumed Option may be other than the Fair Market Value of the Shares at the time the Option is granted as determined by reference to a formula, established at the time of the Corporate Transaction, which will give effect to such substitution or assumption; provided, however, in no event shall:

(a) the excess of the aggregate Fair Market Value of the Shares subject to the Option immediately after the substitution or assumption over the aggregate option price of such Shares be more than the excess of the aggregate Fair Market Value of all Shares subject to the option immediately prior to the substitution or assumption over the aggregate option price of such Shares;

(b) in the case of an Incentive Option, the new Option or the assumption of the old option give the Optionee additional benefits that he would not have under the old option; or

(c) the ratio of the option price to the Fair Market Value of the stock subject to the Option immediately after the substitution or assumption be more favorable to the Optionee than the ratio of the option price to the Fair Market Value of the stock subject to the old option immediately prior to such substitution or assumption, on a Share by Share basis.

Notwithstanding the above, the provisions of this Section 8 with respect to the option price in the event of a Corporate Transaction shall, in the case of an Incentive Option, be subject to the requirements of Section 424(a) of the Code and the Treasury regulations and other applicable guidance promulgated thereunder, and in the case of a Nonqualified Option, be subject to the requirements for stock rights exempt from the application of Section 409A of the Code. In the event of a conflict between the terms of this Section 8 and the above cited statutes, regulations and rulings, or in the event of an omission in this Section 8 of a provision required by said laws, the latter shall control in all respects and are hereby incorporated herein by reference as if set out at length.

Section 9. Option Period and Terms of Exercise

(a) Each Option shall be exercisable during such period of time as the Committee may specify, but in no event for longer than 10 years from the date when the Option is granted; provided, however, that, unless provided otherwise in an Agreement:

(i) All rights to exercise an Option and any SARs that relate to such Option shall, subject to the provisions of subsection (c) of this Section 9, terminate one year after the date the Optionee ceases to be employed by at least one of the employers in the group of employers consisting of the Company and its Affiliates, for any reason other than death, Disability or Retirement, except that, in the event of the Optionee's Termination for Cause, the Option and any SARs that relate to such Option shall thereafter be null and void for

all purposes. Employment shall not be deemed to have ceased by reason of the transfer of employment, without interruption of service, between or among the Company and any of its Affiliates.

(ii) If the Optionee ceases to be employed by at least one of the employers in the group of employers consisting of the Company and its Affiliates, by reason of his death, Disability or Retirement, all rights to exercise such Option and any SARs that relate to such Option shall, subject to the provisions of subsection (c) of this Section 9, terminate five years thereafter.

(b) If an Option is granted with a term shorter than 10 years, the Committee may extend the term of the Option and any SARs that relate to such Option, but for not more than 10 years from the date when the Option was originally granted.

(c) In no event may an Option or any SARs that relate to such Option be exercised after the expiration of the term thereof.

Section 10. Transferability of Options and SARs

Except as provided in this Section 10, no Option or any SARs that relate to an Option shall be (i) transferable otherwise than by will or the laws of descent and distribution, or (ii) exercisable during the lifetime of the Optionee by anyone other than the Optionee. A Nonqualified Option granted to an Optionee, and any SARs that relate to such Nonqualified Option, may be transferred by such Optionee to a permitted transferee (as defined below), provided that (i) there is no consideration for such transfer (other than receipt by the Optionee of interests in an entity that is a permitted transferee); (ii) the Optionee (or such Optionee's estate or representative) shall remain obligated to satisfy all income or other tax withholding obligations associated with the exercise of such Nonqualified Option or SARs; (iii) the Optionee shall notify the Company in writing that such transfer has occurred and disclose to the Company the name and address of the permitted transferee and the relationship of the permitted transferee to the Optionee; and (iv) such transfer shall be effected pursuant to transfer documents in a form approved by the Committee. A permitted transferee may not further assign or transfer any such transferred Nonqualified Option or any SARs that relate to such Nonqualified Option otherwise than by will or the laws of descent and distribution. Following the transfer of a Nonqualified Option and any SARs that relate to such Nonqualified Option to a permitted transferee, such Nonqualified Option and SARs shall continue to be subject to the same terms and conditions that applied to them prior to their transfer by the Optionee, except that they shall be exercisable by the permitted transferee to whom such transfer was made rather than by the transferring Optionee. For the purposes of the Plan, the term "permitted transferee" means, with respect to an Optionee, (I) any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the Optionee, including adoptive relationships, (II) any person sharing the Optionee's household (other than a tenant or an employee), (III) a trust in which the Optionee and/or persons described in clauses (I) and (II) above have more than fifty percent of the beneficial interest, (IV) a foundation in which the Optionee and/or persons described in clauses (I) and (II) above control the management of assets, and (V) any other entity in which the Optionee and/or persons described in clauses (I) and (II) above own more than fifty percent of the voting interests.

Section 11. Exercise of Options and SARs

(a) In the event of an Optionee's death, any then exercisable portion of an Option that has been granted to such Optionee, and any SARs that relate to such Option, may be exercised, within the period ending with the earlier of the fifth anniversary of the date of the Optionee's death or the date of the termination of such Option, by the duly authorized representative of the deceased Optionee's estate or the permitted transferee to whom such Option and SARs have been transferred.

(b) At any time, and from time to time, during the period when any Option and any SARs that relate to such Option, or a portion thereof, are exercisable, such Option or SARs, or portion thereof, may be exercised in whole or in part; provided, however, that in an Agreement the Committee may require any Option or SAR that is partially exercised to be so exercised with respect to at least a stated minimum number of Shares.

(c) Each exercise of an Option, or a portion thereof, shall be evidenced by a notice in writing to the Company accompanied by payment in full of the option price of the Shares then being purchased. Payment in full shall mean payment of the full amount due: (i) in cash, (ii) by certified check or cashier's check, (iii) by tendering (either actually or by attestation) Shares owned by the exercising Optionee or permitted transferee, or (iv) by any combination of clauses (i) through (iii). If the exercising Optionee or permitted transferee chooses to tender Shares in payment of all or part of the option price, then (for purposes of payment of the Option exercise price) those Shares shall have a cash value equal to their aggregate Fair Market Value determined as of the date of exercise.

Notwithstanding anything contained herein to the contrary, at the request of an exercising Optionee or permitted transferee and to the extent permitted by applicable law, the Committee shall approve arrangements with a brokerage firm or firms under which any such brokerage firm shall, on behalf of the exercising Optionee or permitted transferee, make payment in full to the Company of the option price of the Shares then being purchased, and the Company, pursuant to an irrevocable notice in writing from the exercising Optionee or permitted transferee, shall make prompt delivery of one or more certificates for the appropriate number of Shares to such brokerage firm. Payment in full for purposes of the immediately preceding sentence shall mean payment of the full amount due, either in cash or by certified check or cashier's check.

(d) Each exercise of SARs, or a portion thereof, shall be evidenced by a notice in writing to the Company.

(e) Each Optionee must take whatever affirmative actions are required, in the opinion of the Committee, to enable the Company or appropriate Affiliate to satisfy its Federal income tax and FICA and any applicable state and local withholding obligations incurred as a result of such Optionee's (or his or her permitted transferee's) exercise of an Option granted to such Optionee or any SARs that relate to such Option. Upon the exercise of an Option or SARs requiring tax withholding, an exercising Optionee or permitted transferee may (i) direct the Company to withhold from the Shares to be issued to the exercising Optionee or permitted transferee the number of Shares (based upon the aggregate Fair Market Value of the Shares at the date of exercise) necessary to satisfy the Company's obligation to withhold taxes, (ii) deliver to the Company (either actually

or by attestation) sufficient Shares (based upon the aggregate Fair Market Value of the Shares at the date of exercise) to satisfy the Company's tax withholding obligations, (iii) deliver sufficient cash to the Company to satisfy the Company's tax withholding obligations, or (iv) any combination of clauses (i) through (iii). In the event the Committee subsequently determines that the aggregate Fair Market Value (as determined above) of any Shares withheld as payment of any tax withholding obligation is insufficient to discharge that tax withholding obligation, then the Optionee to whom the Option and SARs in question were granted shall pay (or cause the permitted transferee to whom such Option and SARs were transferred to pay) to the Company, immediately upon the Committee's request, the amount of that deficiency.

(f) No Shares shall be issued upon exercise of an Option until full payment therefor has been made, and an exercising Optionee or permitted transferee shall have none of the rights of a shareholder until Shares are issued to him.

(g) Nothing herein or in any Agreement shall require the Company to issue any Shares upon exercise of an Option or SAR if such issuance would, in the opinion of counsel for the Company, constitute a violation of the Securities Act or any similar or superseding statute or statutes, or any other applicable statute or regulation, as then in effect. Upon the exercise of an Option or SAR (as a result of which the exercising Optionee or permitted transferee receives Shares), or portion thereof, the exercising Optionee or permitted transferee shall give to the Company satisfactory evidence that he is acquiring such Shares for the purposes of investment only and not with a view to their distribution; provided, however, if or to the extent that the Shares delivered to the exercising Optionee or permitted transferee shall be included in a registration statement filed by the Company under the Securities Act, such investment representation shall be abrogated.

(h) An Optionee shall immediately notify the Company in writing of any disqualifying disposition (within the meaning of Section 421(b) of the Code) of Shares received upon the exercise of an Incentive Option.

Section 12. Delivery of Stock Certificates

As promptly as may be practicable after an Option or SAR (as a result of the exercise of which the exercising Optionee or permitted transferee is entitled to receive Shares), or a portion thereof, has been exercised as hereinabove provided, the Company shall make delivery of the appropriate number of Shares. In the event that an Optionee exercises both (i) an Incentive Option or SARs that relate to such Option (as a result of which the Optionee receives Shares), or a portion thereof, and (ii) a Nonqualified Option or SARs that relate to such Option (as a result of which the Optionee receives Shares), or a portion thereof, separately identifiable Shares shall be issued in certificate or book-entry form for the Shares subject to the Incentive Option and for the Shares subject to the Nonqualified Option.

Section 13. Modification of Options and SARs

Subject to the terms and conditions of and within the limitations of the Plan, the Committee may modify, extend or renew outstanding Options and any SARs that relate to such Options granted under the Plan. The Committee shall not have authority to accept the surrender or cancellation of any Options and

any SARs that relate to such Options outstanding hereunder (to the extent not theretofore exercised) and grant new Options and any SARs that relate to such new Options hereunder in substitution therefor (to the extent not theretofore exercised) at an Option Price that is less than the Option Price of the Options surrendered or canceled. Nor shall the Committee have authority to accept the surrender or cancellation of any Option and any SARs that relate to such Option outstanding hereunder (to the extent not theretofore exercised) at a time at which the Fair Market Value of the Shares subject to the Option is less than the option price, in return for any cash or other consideration. Notwithstanding the foregoing provisions of this Section 13, no modification of an outstanding Option and any SARs that relate to such Option granted hereunder shall, without the consent of the Optionee, adversely affect the holder thereof in a material way, except as may be necessary, with respect to Incentive Options, to satisfy the requirements of Section 422(b) of the Code, or with respect to Nonqualified Options to satisfy the requirements for stock rights exempt from Section 409A of the Code.

Section 14. Restricted Stock

(a) The Committee may from time to time, in its sole and absolute discretion, award Shares of Restricted Stock to such persons as it shall select from among those persons who are eligible under Section 5 of the Plan to receive awards of Restricted Stock. Any award of Restricted Stock shall be made from Shares subject hereto as provided in Section 4 of the Plan.

(b) A Share of Restricted Stock shall be subject to such restrictions, terms and conditions, including forfeitures, if any, as may be determined by the Committee, which may include, without limitation, the rendition of services to the Company or its Affiliates for a specified time or the achievement of specific goals, and to the further restriction that no such Share may be sold, assigned, transferred, discounted, exchanged, pledged or otherwise encumbered or disposed of until the terms and conditions set by the Committee at the time of the award of the Restricted Stock have been satisfied. A Restricted Stock award may be a Performance Award or an award that is not a Performance Award. Each recipient of an award of Restricted Stock shall enter into an Agreement with the Company, in such form as the Committee shall prescribe, setting forth the restrictions, terms and conditions of such award.

If a person is awarded Shares of Restricted Stock, whether or not escrowed as provided below, the person shall be the record owner of such Shares and shall have all the rights of a shareholder with respect to such Shares (except to the extent that the escrow agreement, if any, or the Agreement specifically provides otherwise), including the right to vote and the right to receive dividends or other distributions made or paid with respect to such Shares. Any certificate or certificates representing Shares of Restricted Stock shall bear a legend similar to the following:

The shares represented by this certificate have been issued pursuant to the terms of the Noble Energy, Inc. 1992 Stock Option and Restricted Stock Plan and may not be sold, assigned, transferred, discounted, exchanged, pledged or otherwise encumbered or disposed of in any manner except as set forth in the terms of the agreement embodying the award of such shares dated _____, _____.

In order to enforce the restrictions, terms and conditions that may be applicable to a person's Shares of Restricted Stock, the Committee may require the person, upon the receipt of a certificate or certificates representing such Shares or the issuance of such Shares in book-entry form, or at any time thereafter, to deposit such certificate or certificates, together with stock powers and other instruments of transfer, appropriately endorsed in blank, with the Company or an escrow agent designated by the Company under an escrow agreement, or to enter into an escrow agreement pertaining to Shares issued in book-entry form, in such form as by the Committee shall prescribe.

After the satisfaction of the restrictions, terms and conditions set by the Committee at the time of an award of Restricted Stock to a person, the Share certificate legend set forth above and any similar evidence of a transfer restriction applicable to a Share issued in book-entry form shall be removed with respect to the number of Shares that are no longer subject to such restrictions, terms and conditions.

The Committee shall have the authority (and the Agreement evidencing an award of Restricted Stock may so provide) to cancel all or any portion of any outstanding restrictions prior to the expiration of such restrictions with respect to any or all of the Shares of Restricted Stock awarded to a person hereunder on such terms and conditions as the Committee may deem appropriate, provided that such cancellation does not cause any Shares of Restricted Stock that were awarded as a Performance Award to fail to be qualified performance-based compensation within the meaning of Treasury Regulation Section 1.162-27(e).

(c) Unless otherwise provided by the Committee in the Agreement pertaining to an award of Restricted Stock, if the a person to whom such Restricted Stock has been awarded ceases to be employed by at least one of the employers in the group of employers consisting of the Company and its Affiliates, for any reason, prior to the satisfaction of any terms and conditions of an award, any Restricted Stock remaining subject to restrictions shall thereupon be forfeited by the person and transferred to, and reacquired by, the Company or an Affiliate at no cost to the Company or the Affiliate; provided, however, if the cessation is due to the person's death, Disability or Retirement, the Committee may, in its sole and absolute discretion, deem that the terms and conditions have been met for all or part of such remaining portion (except such discretionary authority shall not extend to any Shares of Restricted Stock that were awarded as a Performance Award if such discretion would cause the award to fail to be qualified performance-based compensation within the meaning of Treasury Regulation Section 1.162-27(e)). In the event of such forfeiture, the person, or in the event of his death, his personal representative, shall forthwith deliver to the Secretary of the Company the certificates for the Shares of Restricted Stock remaining subject to such restrictions, accompanied by such instruments of transfer, if any, as may reasonably be required by the Secretary of the Company.

(d) In case of any consolidation or merger of another corporation into the Company in which the Company is the surviving corporation and in which there is a reclassification or change (including a change to the right to receive cash or other property) of the Shares (other than a change in par value, or from par value to no par value, or as a result of a subdivision or combination, but including any change in such shares into two or more classes or series of shares), to the extent the Committee determines that such is necessary to reflect such corporate action, the Committee shall take such further actions, if any, as it determines to be appropriate to provide that Restricted Stock

shall take the form of the kind and amount of shares of stock and other securities (including those of any new direct or indirect parent of the Company), property, cash or any combination thereof receivable upon such consolidation or merger.

Section 15. Performance Awards

(a) The Options and SARs granted pursuant to the Plan are granted under terms that are designed to provide for the payment of qualified performance-based compensation within the meaning of Treasury Regulation section 1.162-27(e). In addition, at the time of awarding any Restricted Stock award or Cash Award the Committee may, in its sole and absolute discretion, and subject to the limitations on Shares and amounts applicable thereto, designate such award to be a Performance Award that is intended to satisfy the requirements for the payment of qualified performance-based compensation within the meaning of Treasury Regulation section 1.162-27(e) (such requirements the “162(m) Requirements”). The compensation payable under Performance Awards shall be provided or paid solely on account of the attainment of one or more preestablished, objective performance goals during a specified performance period that shall not be shorter than one year, and shall comply with the 162(m) Requirements.

(b) Each Agreement embodying a Performance Award shall set forth (i) the maximum amount that may be earned thereunder in the form of cash or Shares, as applicable, (ii) the performance goal or goals and level of achievement applicable to such Performance Award, (iii) the performance period over which performance is to be measured, and (iv) such other terms and conditions as the Committee may determine that are not inconsistent with the Plan or the 162(m) Requirements.

(c) The performance goal or goals for a Performance Award shall be established in writing by the Committee based on one or more performance goals as set forth in this Section 15 not later than 90 days after commencement of the performance period with respect to such award, provided that the outcome of the performance in respect of the goal or goals remains substantially uncertain as of such time. At the time of the award of a Performance Award, and to the extent permitted under Section 162(m) of the Code and the Treasury regulations and other guidance promulgated thereunder, the Committee may provide for the manner in which the performance goals will be measured in light of specified corporate transactions, extraordinary events, accounting changes and other similar occurrences.

(d) The performance goal or goals to be used for the purposes of Performance Awards may be described in terms of objectives that are related to the particular eligible employee to whom the award is being made, or objectives that are Company-wide or related to a subsidiary, division, department, region, function or business unit of the Company in which such person is employed or with respect to which such person performs services, and may consist of one or more or any combination of the following criteria: (a) an amount or level of earnings or cash flow, (b) earnings or cash flow per share (whether on a pre-tax, after-tax, operational or other basis), (c) return on equity or assets, (d) return on capital or invested capital and other related financial measures, (e) cash flow or EBITDA, (f) revenues, (g) income, net income or operating income, (h) expenses or costs or expense levels or cost levels (absolute or per unit), (i) proceeds of sale or other disposition, (j) share price, (k) total shareholder return, (l) operating profit, (m) profit margin, (n) capital

expenditures, (o) net borrowing, debt leverage levels, credit quality or debt ratings, (p) the accomplishment of mergers, acquisitions, dispositions, or similar business transactions, (q) net asset value per share, (r) economic value added, (s) individual business objectives, (t) growth in reserves or production, (u) finding and development costs, and/or (v) safety results. The performance goals based on these performance measures may be made relative to the performance of peers or other business entities.

(e) Prior to the payment of any compensation pursuant to a Performance Award, the Committee shall certify in writing that the applicable performance goal or goals and other material terms of the Award have been satisfied. The Committee in its sole and absolute discretion shall have the authority to reduce, but not to increase, the amount payable in cash and the number of Shares to be issued, retained or vested pursuant to a Performance Award.

Section 16. Cash Awards

The Committee may, in its sole and absolute discretion, award Cash Awards to such persons as it shall select from among those persons who are eligible under Section 5 of the Plan to receive Cash Awards. A Cash Award shall provide for the payment of a cash bonus upon the achievement of specified performance goals. A Cash Award may be a Performance Award or an award that is not a Performance Award. The Committee shall specify the terms, conditions, restrictions and limitations that apply to a Cash Award (which need not be identical among the persons to whom such awards are made). Any provision of this Plan to the contrary notwithstanding, the maximum amount that may be paid under all Cash Awards awarded to any one person pursuant to this Plan during any one calendar year shall not exceed \$4,000,000. The Committee's authority and discretion to grant Cash Awards pursuant to this Plan is not intended to and does not replace, modify, limit or otherwise affect the ability of the Company and its Affiliates to pay or make grants of compensation under other programs and arrangements of the Company and its Affiliates, including without limitation the Company's annual short-term incentive plans.

Section 17. Changes in Company's Shares and Certain Corporate Transactions; Change in Control

If at any time while the Plan is in effect there shall be any increase or decrease in the number of issued and outstanding Shares of the Company effected without receipt of consideration therefor by the Company, through the declaration of a stock dividend or through any recapitalization or merger or otherwise in which the Company is the surviving corporation, resulting in a stock split-up, combination or exchange of Shares of the Company, then and in each such event:

(a) An appropriate adjustment shall be made in the maximum number of Shares then subject to being optioned or awarded as Restricted Stock under the Plan, to the end that the same proportion of the Company's issued and outstanding Shares shall continue to be subject to being so optioned and awarded;

(b) Appropriate adjustment shall be made in the number of Shares and the option price per Share thereof then subject to purchase pursuant to each Option previously granted and then outstanding, to the end that the same proportion of the Company's issued and outstanding Shares in each such instance shall remain subject to purchase at the same aggregate option price; and

(c) In the case of Incentive Options, any such adjustments shall in all respects satisfy the requirements of Section 424(a) of the Code and the Treasury regulations and other guidance promulgated thereunder. In the case of Nonqualified Options, any such adjustments shall in all respects satisfy the requirements applicable to stock rights that are exempt from the application of Section 409A of the Code.

Except as is otherwise expressly provided herein, the issue by the Company of shares of its capital stock of any class, or securities convertible into shares of capital stock of any class, either in connection with a direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of or option price of Shares then subject to outstanding Options granted under the Plan. Furthermore, the presence of outstanding Options granted under the Plan shall not affect in any manner the right or power of the Company to make, authorize or consummate (i) any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business; (ii) any merger or consolidation of the Company; (iii) any issue by the Company of debt securities or preferred stock that would rank above the Shares subject to outstanding Options granted under the Plan; (iv) the dissolution or liquidation of the Company; (v) any sale, transfer or assignment of all or any part of the assets or business of the Company; or (vi) any other corporate act or proceeding, whether of a similar character or otherwise. All adjustments made pursuant to this Section 17 or any other provision of this Plan shall be made in a manner that satisfies the requirements for such adjustments under Sections 409A and 424 of the Code, as applicable, and the Treasury regulations and other guidance promulgated thereunder.

Any provision of the Plan to the contrary notwithstanding, in the event of a Change in Control while an Optionee or other holder of an award made pursuant to the Plan is employed by the Company or an Affiliate, followed by the termination of such Optionee's or holder's employment (i) by the Company or its Affiliate, as applicable, for reasons other than a Termination for Cause, or (ii) by such Optionee or holder on account of Good Reason, within the 24-month period following the date of such Change in Control, each such award outstanding under this Plan to such Optionee or holder that was granted on or after April 28, 2015 shall become immediately vested and fully exercisable upon such termination and any restrictions applicable to the award shall lapse as of such date; provided, however, that notwithstanding the preceding, any award that is a Performance Award with performance-based vesting will vest upon such termination of employment according to performance achieved as measured through the last day of the month immediately preceding the date of such termination of employment. For purposes of this paragraph, in order to terminate on account of Good Reason, an Optionee or other holder of an award must provide written notice to the Company or its Affiliate, as applicable, of his or her belief that Good Reason exists within 60 days of the initial existence of the Good Reason condition, and that notice must describe in reasonable detail the condition(s) believed to constitute Good Reason. The Company or its Affiliate, as applicable, then shall have 30 days to remedy the Good Reason condition(s). If not remedied within that 30-day period, the Optionee or other holder may submit a notice of termination to the Company or its Affiliate, as applicable; provided, however, that the notice of termination invoking the option to terminate employment for Good Reason must be given no later than 100 days after the date the Good Reason condition first arose; otherwise, the Optionee or other holder shall be deemed to have accepted the condition(s), or the correction of such condition(s) that may have given rise to the existence of Good Reason.

Section 18. Effective Date

The Plan was originally adopted by the Board on January 28, 1992, and has been amended by the Board and approved by the shareholders of the Company at various times thereafter most recently effective as of April 28, 2015. This amendment and restatement of the Plan is effective as of October 20, 2015, the date of its approval and adoption by the Board and is being adopted in order to clarify and update certain provisions including the methods available for the exercise of Options awarded hereunder both with respect to currently outstanding Options and those granted in the future.

Section 19. Amendment, Suspension or Termination

The Board may at any time amend, suspend or terminate the Plan; provided, however, that after the shareholders have approved and ratified the Plan in accordance with Section 18 of the Plan, the Board may not, without approval of the shareholders of the Company, amend the Plan so as to (a) increase the maximum number of Shares subject thereto, as specified in Sections 4(a) and 17 of the Plan, (b) reduce the option price for Shares covered by Options granted hereunder below the price specified in Section 8 of the Plan, or (c) permit the “repricing” of Options and any SARs that relate to such new Options, or permit the cancellation of “underwater” Options and any SARs that relate to such Options in return for cash or other consideration, in contravention of Section 13 of the Plan; and provided further, that the Board may not, without the consent of the holder thereof, amend or cancel any outstanding Agreement in a manner that adversely affects the holder thereof in a material way.

Section 20. Requirements of Law

Notwithstanding anything contained herein or in any Agreement to the contrary, the Company shall not be required to sell or issue Shares under any Option or SAR if the issuance thereof would constitute a violation by the Optionee or the Company of any provision of any law or regulation of any governmental authority or any national securities exchange; and as a condition of any sale or issuance of Shares upon exercise of an Option or SAR, the Company may require such agreements or undertakings, if any, as the Company may deem necessary or advisable to assure compliance with any such law or regulation.

Section 21. General

(a) The proceeds received by the Company from the sale of Shares pursuant to Options shall be used for general corporate purposes.

(b) Nothing contained in the Plan or in any Agreement shall confer upon any Optionee or recipient of Restricted Stock the right to continue in the employ of the Company or any Affiliate, or interfere in any way with the rights of the Company or any Affiliate to terminate his employment at any time, with or without cause.

(c) Neither the members of the Board nor any member of the Committee shall be liable for any act, omission or determination taken or made in good faith with respect to the Plan or any Option and any SARs that relate to such Option granted hereunder or any Restricted Stock, Cash Award or Performance Award awarded hereunder; and the members of the Board and the Committee shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expenses (including counsel fees) arising therefrom to the full extent

permitted by law and under any directors' and officers' liability or similar insurance coverage that may be in effect from time to time.

(d) Any payment of cash or any issuance or transfer of Shares to an exercising Optionee or permitted transferee, or to his legal representative, heir, legatee or distributee, in accordance with the provisions hereof, shall, to the extent thereof, be in full satisfaction of all claims of such persons hereunder. The Committee may require an exercising Optionee or permitted transferee, legal representative, heir, legatee or distributee, as a condition precedent to such payment, to execute a release and receipt therefor in such form as it shall determine.

(e) Neither the Committee, the Board nor the Company guarantees the Shares from loss or depreciation.

(f) All expenses incident to the administration, termination or protection of the Plan, including, but not limited to, legal and accounting fees, shall be paid by the Company or its Affiliates.

(g) Records of the Company and its Affiliates regarding a person's period of employment, termination of employment and the reason therefor, leaves of absence, re-employment and other matters shall be conclusive for all purposes hereunder, unless determined by the Committee to be incorrect.

(h) Any action required of the Company shall be by resolution of its Board or by a person authorized to act by resolution of the Board. Any action required of the Committee shall be by resolution of the Committee or by a person authorized to act by resolution of the Committee.

(i) If any provision of the Plan or any Agreement is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of the Plan or such Agreement, as the case may be, but such provision shall be fully severable and the Plan or such Agreement, as the case may be, shall be construed and enforced as if the illegal or invalid provision had never been included herein or therein.

(j) Whenever any notice is required or permitted hereunder, such notice must be in writing and personally delivered or sent by mail. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered on the date on which it is personally delivered, or, whether actually received or not, on the third business day after it is deposited in the United States mail, certified or registered, postage prepaid, addressed to the person who is to receive it at the address which such person has theretofore specified by written notice delivered in accordance herewith. The Company, an Optionee or a recipient of Restricted Stock may change, at any time and from time to time, by written notice to the other, the address that it or he had theretofore specified for receiving notices. Until changed in accordance herewith, the Company and each Optionee and recipient of Restricted Stock shall specify as its and his address for receiving notices the address set forth in the Agreement pertaining to the Shares to which such notice relates.

(k) Any person entitled to notice hereunder may waive such notice.

(l) The Plan shall be binding upon the Optionee or the recipient of Restricted Stock or a Cash Award, his or her heirs, legatees, distributees, legal representatives and permitted transferees, upon the Company, its successors and assigns, and upon the Committee, and its successors.

(m) The titles and headings of Sections and paragraphs are included for convenience of reference only and are not to be considered in the construction of the provisions hereof.

(n) All questions arising with respect to the provisions of the Plan shall be determined by application of the laws of the State of Texas except to the extent Texas law is preempted by Federal law.

(o) Words used in the masculine shall apply to the feminine where applicable, and wherever the context of the Plan dictates, the plural shall be read as the singular and the singular as the plural.

(p) The compensation payable by the Company to or with respect to an Optionee or awardee pursuant to this Plan is intended to be compensation that is not subject to the tax imposed by Section 409A of the Code, and the Plan and Agreements shall be administered and construed to the fullest extent possible to reflect and implement such intent; provided, however, that any provision of this Plan or an Agreement to the contrary notwithstanding, the Committee, the Company and its Affiliates and their respective directors, officers, employees and agents do not guarantee any particular tax treatment with respect to the compensation payable pursuant to the Plan or an Agreement, and shall not be responsible or liable for any such treatment.

(q) Except as provided in Section 10, no right or interest of an Optionee or an awardee under any Restricted Stock award, Cash Award or Performance Award may be assigned, transferred or alienated, in whole or in part, either directly or by operation of law (except, with respect to awards other than Incentive Options, pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code or a similar domestic relations order under applicable foreign law), and no such right or interest shall be liable for or subject to any debt, obligation or liability of such Optionee or awardee.

(r) Any provision of this Plan to the contrary notwithstanding, any provision in this Plan setting forth a requirement for delivery of a written notice, agreement, consent, acknowledgement, or other documentation in writing, including a written signature, may be satisfied by electronic delivery of such notice, agreement, consent, acknowledgment, or other documentation, in a manner that the Committee has prescribed or that is otherwise acceptable to the Committee, provided that evidence of the intended recipient's receipt of the electronic delivery is available to the Committee and that such delivery is not prohibited by applicable laws and regulations.

Section 22. UK Sub-Plan

Any provision of this Plan to the contrary notwithstanding, the Committee may grant to the employees of the Company or one of its Affiliates whose compensation from the Company or such Affiliate

is subject to taxation under the laws of the United Kingdom Options which (i) will terminate one year after the Optionee's death, (ii) cannot be transferred to a permitted transferee pursuant to the provisions of Section 10, (iii) cannot be exercised using a means of payment other than cash or a certified check or cashier's check, and (iv) will not be adjusted pursuant to Section 17 without the approval of the Board of Inland Revenue of the United Kingdom.

IN WITNESS WHEREOF, this amendment and restatement of the Noble Energy, Inc. 1992 Stock Option and Restricted Stock Plan has been executed by the Company on this 20th day of October, 2015, to be effective as provided in Section 18 above.

NOBLE ENERGY, INC.

By: /s/ David L. Stover
Name: David L. Stover
Title: President & Chief Executive Officer

**2005 STOCK PLAN
FOR NON-EMPLOYEE DIRECTORS
OF
NOBLE ENERGY, INC.**

(As Amended and Restated Effective October 20, 2015)

RECITALS

A. The Board of Directors of Noble Energy, Inc., a Delaware corporation (the “Company”), heretofore adopted the 2005 Stock Plan for Non-Employee Directors of Noble Energy, Inc. (the “Plan”). The Board of Directors of the Company hereby amends and restates the Plan in its entirety in order to clarify and update certain provisions including the methods available for the exercise of Options awarded hereunder with respect to currently outstanding Options. This amendment and restatement applies with respect to awards that continue to be outstanding after the Plan’s termination on March 31, 2015.

B. The purposes of the Plan are to provide to each of the directors of the Company who is not an employee of the Company or one of its affiliates an added incentive to continue in the service of the Company and a more direct interest in the future success of the operations of the Company by granting to such directors (i) options to purchase shares of the Company's common stock (the “Common Stock”), and (ii) awards of restricted shares of Common Stock, in each case subject to the terms and conditions set forth below.

ARTICLE I

GENERAL

1.01 Definitions. Unless the context clearly indicates otherwise, when used in this Plan:

(a) “Affiliate” means any corporation, partnership, limited liability company, association, trust or other organization which, directly or indirectly, controls, is controlled by, or is under common control with, the Company.

(a) “Awardee” means, with respect to a Stock Award, the Non-Employee Director to whom the Stock Award has been granted pursuant to the Plan.

(b) “Board of Directors” means the Board of Directors of the Company.

(c) “Common Stock” means the Company's common stock.

(d) “Company” means Noble Energy, Inc., a Delaware corporation.

(e) “Effective Date” means April 26, 2005.

(f) “Employee” means an individual who, at the time of the performance of his or her services for the Company or one of its Affiliates, is treated by the Company or such Affiliate as an employee for federal income tax purposes.

(g) “Fair Market Value” means, with respect to a share of Common Stock, the closing sales price per share of Common Stock on the New York Stock Exchange on the date in question (or, if there was no reported sale on the New York Stock Exchange on such date, then on the last preceding day on which any reported sale occurred on the New York Stock Exchange).

(h) “Holder” means, with respect to an Option, the Non-Employee Director to whom the Option has been granted pursuant to the Plan.

(i) “Non-Employee Director” means an individual who (i) is a member of the Board of Directors by virtue of being elected to the Board of Directors by the stockholders of the Company or by the Board of Directors under applicable corporate law, and (ii) is not an Employee of the Company or one of its Affiliates.

(j) “Option” means an option to purchase shares of Common Stock granted pursuant to Article III of the Plan.

(k) “Permitted Transferee” means, with respect to a Holder, (i) any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the Holder, including adoptive relationships, (ii) any person sharing the Holder's household (other than a tenant or an employee), (iii) a trust in which the Holder and/or persons described in clauses (i) and (ii) above have more than fifty percent of the beneficial interest, (iv) a foundation in which the Holder and/or persons described in clauses (i) and (ii) above control the management of assets, and (v) any other entity in which the Holder and/or persons described in clauses (i) and (ii) above own more than fifty percent of the voting interests.

(l) “Plan” means this 2005 Stock Plan for Non-Employee Directors of Noble Energy, Inc. as in effect from time to time.

(m) “Restricted Period” means, with respect to a Stock Award, the period during which the restrictions, terms and conditions applicable to the shares of Common Stock granted under such Stock Award have not been satisfied.

(n) “Stock Award” means an award of restricted shares of Common Stock granted pursuant to Article IV of the Plan.

1.02 Construction. The titles to the Articles and the headings of the Sections in this Plan are placed herein for convenience of reference only, and shall not be deemed to be material or relevant to the construction or interpretation of the Plan. Terms in masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural form, and vice versa, unless the context clearly indicates otherwise.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Board of Directors. Subject to the express provisions of the Plan, the Board of Directors shall have the authority, in its discretion, to (a) determine which Non-Employee Directors will be granted Options and Stock Awards, (b) determine the number of shares of Common Stock to be made subject to each Option or Stock Award, (c) determine the exercise price for the shares of Common Stock to be made subject to each Option (which exercise price per share shall not be less than the Fair Market Value of such share on the date such Option is granted), (d) determine the period within which each Option may be exercised (which exercise period shall not exceed ten years from the date such Option is granted), (e) determine the restrictions (including forfeiture restrictions), terms and conditions to be applicable to each Option or Stock Award, (f) construe and interpret the provisions of the Plan and any agreement evidencing an Option or Stock Award, (g) amend the agreement evidencing the grant of any Option or Stock Award to accelerate its exercisability or the lapse of its restrictions or otherwise modify the restrictions, terms and conditions applicable to such Option or Stock Award, and (h) adopt such rules and procedures, appoint such agents and take all such other action as the Board of Directors may deem to be necessary or appropriate for the proper administration of the Plan. The decisions of the Board of Directors with respect to the Plan and any Option or Stock Award shall be final and binding upon the Company, the Holders and Awardees, and all other persons having or claiming to have an interest in the Plan or an Option or Stock Award granted pursuant to the Plan. No member of the Board of Directors shall incur any liability by reason of any action taken or omitted in good faith with respect to the Plan or an Option or Stock Award granted pursuant to the Plan.

ARTICLE III

OPTIONS

3.01 Grant of Options. No automatic Option grants shall be made pursuant to this Plan on or after March 17, 2011. At any time and from time to time the Board of Directors in its discretion may grant an Option to any Non-Employee Director, including a Non-Employee Director who previously has received automatic Option grants pursuant to the prior provisions of this Plan; provided, however, that the aggregate number of shares of Common Stock that may be subject to Options granted to a particular Non-Employee Director during any calendar year shall not exceed 11,200. Each Option granted pursuant to the Plan shall be subject to the restrictions, terms and conditions set forth in Section 3.02 below, and to such other restrictions (including forfeiture restrictions), terms and conditions not inconsistent therewith or with the other provisions of the Plan as shall be determined by the Board of Directors in its discretion at the time of the granting of such Option.

3.02 Option Terms and Agreement. The price at which each share of Common Stock that is subject to an Option may be purchased shall be the Fair Market Value of such share on the date of the grant of such Option. Each Option shall be exercisable from time to time over the period of time commencing one year from the date of the grant of such Option and ending, unless terminated earlier pursuant to the provisions of Section 3.02(a) hereof, (a) in the case of an Option automatically granted under the Plan, upon the expiration of ten years from the date of such grant, or (b) in the

case of an Option granted by the Board of Directors in its discretion, upon the expiration date specified for such Option by the Board of Directors at the time of the grant of such Option; provided, however, that each Option granted to a Holder shall become exercisable in full upon the death of the Holder or upon the mandatory retirement of the Holder as a regular director because of age in accordance with Article III of the By-laws of the Company. Each Option granted under the Plan shall be evidenced by a written agreement entered into by the Company and the Non-Employee Director to whom the Option is granted, which agreement shall be in such form as the Board of Directors may prescribe, and shall include, incorporate or conform to the following terms and conditions, and such other terms and conditions not inconsistent therewith or with the other provisions of the Plan, as the Board of Directors may deem to be appropriate:

(a) Termination of Service, Death, Etc. The agreement evidencing the grant of an Option shall provide as follows with respect to the exercise of such Option in the event that the Holder ceases to be a Non-Employee Director for the reasons set forth below:

(i) If the Holder ceases to be a director of the Company on account of such Holder's (A) fraud or intentional misrepresentation, or (B) embezzlement, misappropriation or conversion of assets or opportunities of the Company or any Affiliate, then the Option shall automatically terminate and be of no further force or effect as of the date the Holder's directorship terminated;

(ii) If the Holder dies or becomes disabled (within the meaning of section 22(e)(3) of the Internal Revenue Code of 1986, as amended, as determined by the Board of Directors in its discretion) while a director of the Company, the Option may be exercised prior to the earlier of (A) the expiration of five years after such death or disability, or (B) the expiration of the exercise period applicable to such Option, but not thereafter, by the executor or administrator of the estate of the Holder, or by the person or persons who shall have acquired the Option by bequest or inheritance or permitted transfer; or

(iii) If the directorship of a Holder is terminated within the exercise period applicable to such Option for any reason other than a reason specified in paragraphs (i) and (ii) of this Section 3.02(a), such Option may be exercised, to the extent the Holder was able to do so at the date of termination of the directorship, prior to the earlier of (A) the expiration of five years after such termination, or (B) the expiration of the exercise period applicable to such Option, but not thereafter.

(b) Transferability. Except as provided in this Section, no Option granted under the Plan shall be (i) transferable otherwise than by will or the laws of descent and distribution, or (ii) exercisable during the lifetime of the Holder by anyone other than the Holder. An Option granted under the Plan to a Holder may be transferred by such Holder to a Permitted Transferee, provided that (i) there is no consideration for such transfer (other than receipt by the Holder of interests in an entity that is a Permitted Transferee); (ii) the Holder (or such Holder's estate or representative) shall remain obligated to satisfy all income or other tax withholding obligations associated with the exercise of such Option; (iii) the Holder shall notify the Company in writing that such transfer has occurred and disclose to the Company the name and address of the Permitted Transferee and the relationship of the Permitted

Transferee to the Holder; and (iv) such transfer shall be effected pursuant to transfer documents in a form approved by the Board of Directors. A Permitted Transferee may not further assign or transfer any such transferred Option otherwise than by will or the laws of descent and distribution. Following the transfer of an Option to a Permitted Transferee, such Option shall continue to be subject to the same terms and conditions that applied to it prior to its transfer by the Holder, except that it shall be exercisable by the Permitted Transferee to whom such transfer was made rather than by the transferring Holder.

(c) Agreement to Continue in Service. Each Holder shall agree to remain in the continuous service of the Company, at the pleasure of the Company's stockholders, at least until the earlier of one year after the date of the grant of any Option or the mandatory retirement of the Holder as a regular director because of age in accordance with Article III of the By-laws of the Company, at the retainer rate and fee schedule then in effect or at such changed rate or schedule as the Company from time to time may establish.

(d) Exercise and Payments. Each agreement evidencing the grant of an Option shall provide that such Option may be exercised by delivery to the President of the Company of, or by sending by United States registered or certified mail, postage prepaid, addressed to the Company (for the attention of its President), a written notice signed by Holder specifying the number of shares of Common Stock with respect to which such Option is being exercised. Such notice shall be accompanied by the full amount of the exercise price of such shares. Unless expressly provided otherwise in the agreement evidencing the grant of such Option, the full amount of the exercise price of such shares may be paid (i) in cash, (ii) by certified check or cashier's check, (iii) by tendering (either actually or by attestation) shares of Common Stock owned by the exercising Holder or Permitted Transferee, or (iv) any combination of clauses (i) through (iii). If the exercising Holder or Permitted Transferee chooses to tender shares of Common Stock in payment of all or part of the exercise price, then (for purposes of payment of the exercise price) those shares of Common Stock shall have a cash value equal to their aggregate Fair Market Value determined as of the of exercise. Any such notice shall be deemed to be given on the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as above-stated. In addition to the foregoing, promptly after demand by the Company, the exercising Holder shall pay to the Company an amount equal to any applicable withholding taxes due in connection with such exercise. The foregoing provisions of this paragraph to the contrary notwithstanding, at the request of an exercising Holder or Permitted Transferee and to the extent permitted by applicable law, the Company shall approve arrangements with a brokerage firm or firms under which any such brokerage firm shall, on behalf of the exercising Holder or Permitted Transferee, make payment in full to the Company of the exercise price of the shares of Common Stock then being purchased, and the Company, pursuant to an irrevocable notice in writing from the exercising Holder or Permitted Transferee, shall make prompt delivery of one or more certificates for the appropriate number of shares of Common Stock to such brokerage firm. Payment in full for purposes of the immediately preceding sentence shall mean payment of the full amount due, either in cash or by certified check or cashier's check.

ARTICLE IV

STOCK AWARDS

4.01 Grant of Stock Awards. No automatic Stock Award grants shall be made pursuant to this Plan on or after March 17, 2011. At any time and from time to time the Board of Directors may grant a Stock Award to any Non-Employee Director, including a Non-Employee Director who previously has received automatic Stock Award grants pursuant to the prior provisions of this Plan; provided, however, that the aggregate number of shares of Common Stock that may be subject to Stock Awards granted to a particular Non-Employee Director during any calendar year shall not exceed 4,800. Each Stock Award granted pursuant to the Plan shall be subject to the restrictions, terms and conditions set forth in Sections 4.02 and 4.03 below, and to such other restrictions (including forfeiture restrictions), terms and conditions not inconsistent therewith or with the other provisions of the Plan as shall be determined by the Board of Directors in its discretion at the time of the granting of such Stock Award.

4.02 Stock Award Restrictions. The shares of Common Stock granted under each Stock Award shall be restricted for a period of at least one year from the date of the grant of such Stock Award. No share of Common Stock granted under a Stock Award may be sold, assigned, transferred, discounted, exchanged, pledged or otherwise encumbered or disposed of until all of the restrictions, terms and conditions applicable to such shares have been satisfied. Each Stock Award granted under the Plan shall be evidenced by a written agreement entered into by the Company and the Non-Employee Director to whom the Stock Award is granted, which agreement shall be in such form as the Board of Directors may prescribe, and shall include, incorporate or conform to the following terms and conditions, and such other terms and conditions not inconsistent therewith or with the other provisions of the Plan, as the Board of Directors may deem to be appropriate:

(a) Termination of Service, Death, Etc. Each agreement evidencing a Stock Award shall provide as follows in the event that during the Restricted Period applicable to such Stock Award the Awardee thereof ceases to be a Non-Employee Director for the reasons described below:

(i) If the Awardee ceases to be a director of the Company on account of such Awardee's (A) fraud or intentional misrepresentation, or (B) embezzlement, misappropriation or conversion of assets or opportunities of the Company or any Affiliate, then all of the shares of Common Stock granted under such Stock Award shall be forfeited by the Awardee to the Company, and shall be transferred to the Company by the Awardee.

(ii) If the Awardee dies or becomes disabled (within the meaning of section 22(e)(3) of the Internal Revenue Code of 1986, as amended, as determined by the Board of Directors in its discretion) while a director of the Company, or retires as a regular director of the Company because of age in accordance with the mandatory retirement provisions of Article III of the By-laws of the Company, all restrictions, terms and conditions applicable to the shares of Common Stock granted under such Stock Award shall terminate, and such shares shall be delivered to the Awardee (or

in the event of the Awardee's death, to the Awardee's estate) free of such restrictions, terms and conditions.

4.03 Additional Conditions. An Awardee shall be the record owner of the shares of Common Stock granted under a Stock Award and shall have all the rights of a stockholder with respect to such shares, including the right to vote and the right to receive dividends or other distributions made or paid with respect to such shares. During the Restricted Period applicable to the shares of Common Stock granted under a Stock Award, the certificate or certificates representing such shares shall bear a legend similar to the following:

The shares represented by this certificate have been issued pursuant to the terms of the 2005 Stock Plan for Non-Employee Directors of Noble Energy, Inc., and may not be sold, assigned, transferred, discounted, exchanged, pledged or otherwise encumbered or disposed of in any manner except as set forth in the terms of the agreement embodying the award of such shares dated _____, _____.

In order to enforce the restrictions, terms and conditions that are applicable to the shares of Common Stock granted under a Stock Award, the Board of Directors may require the Awardee thereof, upon the receipt of a certificate or certificates representing such shares, or at any time thereafter during the Restricted Period applicable to such Stock Award, to deposit such certificate or certificates, together with stock powers and other instruments of transfer, appropriately endorsed in blank, with the Company or an escrow agent designated by the Company under an escrow agreement in such form as by the Board of Directors shall prescribe. After the satisfaction of the restrictions, terms and conditions applicable to such shares, a new certificate, without the legend set forth above, for the number of shares that are no longer subject to such restrictions, terms and conditions shall be delivered to the Awardee. Any provision of this Plan to the contrary notwithstanding, the Board of Directors shall have the authority in its discretion to cancel at any time all or any portion of any outstanding restrictions, terms and conditions applicable to all or any portion of the shares of Common Stock granted under a Stock Award.

ARTICLE V

AUTHORIZED COMMON STOCK

5.01 Common Stock. The total number of shares of Common Stock as to which Options and Stock Awards may be granted pursuant to the Plan shall be 400,000, in the aggregate, except as such number of shares shall be adjusted from and after the Effective Date in accordance with the provisions of Section 5.02 hereof. If any outstanding Option under the Plan shall expire or be terminated for any reason before the end of the exercise period applicable to such Option, the shares of Common Stock allocable to the unexercised portion of such Option may again be subject to the Plan. The Company shall, at all times during the existence of outstanding Options, retain as authorized and unissued shares of Common Stock at least the number of shares from time to time subject to the outstanding Options or otherwise assure itself of its ability to perform its obligation under the Plan. Notwithstanding the preceding, no further awards are being made pursuant to this Plan since its termination on March 31, 2015.

5.02 Adjustments Upon Changes in Common Stock. In the event the Company shall effect a split of the outstanding shares of Common Stock or pay a dividend in shares of Common Stock, or in the event the outstanding shares of Common Stock shall be combined into a smaller number of shares, (a) the number of shares of Common Stock that will be subject to Options or Stock Awards granted automatically pursuant to the provisions of Section 3.01 or 4.01 hereof, (b) the aggregate number of shares of Common Stock that may be subject to Options or Stock Awards granted automatically and by the Board of Directors in its discretion to a particular Non-Employee Director during any calendar year pursuant to the provisions of Section 3.01 or 4.01 hereof, and (c) the maximum number of shares of Common Stock as to which Options and Stock Awards may be granted under the Plan as provided in Section 5.01 hereof, shall be increased or decreased proportionately. In the event that before delivery by the Company of all of the shares of Common Stock in respect of which any Option has been granted under the Plan, the Company shall have effected such a split, dividend or combination, the shares still subject to the Option shall be increased or decreased proportionately and the purchase price per share shall be increased or decreased proportionately so that the aggregate purchase price for all of the then optioned shares shall remain the same as immediately prior to such split, dividend or combination. In the event of a reclassification of the shares of Common Stock not covered by the foregoing, or in the event of a liquidation or reorganization, including a merger, consolidation or sale of assets, the Board of Directors of the Company shall make such adjustments, if any, as it may deem appropriate in the number, purchase price and kind of shares covered by the unexercised portions of Options theretofore granted under the Plan. The provisions of this Section 5.02 shall only be applicable if, and only to the extent that, the application thereof does not conflict with any valid governmental statute, regulation or rule.

ARTICLE VI

GENERAL PROVISIONS

6.01 Change in Control. If a Change in Control occurs while an Option is outstanding, such Option shall become exercisable in full. If a Change in Control occurs during the Restricted Period applicable to a Stock Award, all of the restrictions, terms and conditions applicable to the shares of Common Stock granted under such Stock Award shall terminate, and such shares shall be delivered to the Awardee of such Stock Award free of such restrictions, terms and conditions. For the purposes of this Plan, a "Change in Control" shall be deemed to have occurred if:

(a) individuals who, as of the date hereof, constitute the Board of Directors of the Company (the "Incumbent Board") cease for any reason to constitute at least fifty-one percent (51%) of the Board of Directors of the Company, provided that any person becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be, for purposes of this Plan, considered as though such person were a member of the Incumbent Board;

(b) the stockholders of the Company shall approve a reorganization, merger or consolidation, in each case, with respect to which persons who were the stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own outstanding voting securities representing at least fifty-one

percent (51%) of the combined voting power entitled to vote generally in the election of directors (“Voting Securities”) of the reorganized, merged or consolidated company;

(c) the stockholders of the Company shall approve a liquidation or dissolution of the Company or a sale of all or substantially all of the stock or assets of the Company; or

(d) any “person,” as that term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (other than the Company, any of its subsidiaries, any employee benefit plan of the Company or any of its subsidiaries, or any entity organized, appointed or established by the Company for or pursuant to the terms of such a plan), together with all “affiliates” and “associates” (as such terms are defined in Rule 12b-2 under the Exchange Act) of such person (as well as any “Person” or “group” as those terms are used in Sections 13(d) and 14(d) of the Exchange Act), shall become the “beneficial owner” or “beneficial owners” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of securities of the Company representing in the aggregate twenty-five percent (25%) or more of either (i) the then outstanding shares of Common Stock, or (ii) the Voting Securities of the Company, in either such case other than solely as a result of acquisitions of such securities directly from the Company. Without limiting the foregoing, a person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares the power to vote, or to direct the voting of, or to dispose, or to direct the disposition of, Common Stock or other Voting Securities of the Company shall be deemed the beneficial owner of such Common Stock or Voting Securities.

Notwithstanding the foregoing, a “Change in Control” of the Company shall not be deemed to have occurred for purposes of subparagraph (d) of this Section 6.01 solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of Common Stock or other Voting Securities of the Company outstanding, increases (i) the proportionate number of shares of Common Stock beneficially owned by any person to twenty-five percent (25%) or more of the shares of Common Stock then outstanding or (ii) the proportionate voting power represented by the Voting Securities of the Company beneficially owned by any person to twenty-five percent (25%) or more of the combined voting power of all then outstanding Voting Securities; provided, however, that if any person referred to in clause (i) or (ii) of this sentence shall thereafter become the beneficial owner of any additional shares of Common Stock or other Voting Securities of the Company (other than a result of a stock split, stock dividend or similar transaction), then a Change in Control of the Company shall be deemed to have occurred for purposes of subparagraph (d) of this Section 6.01.

6.02 Termination of the Plan. The Plan terminated in accordance with its original terms at the close of business on March 31, 2015. No Option or Stock Award shall be granted under the Plan after its termination. Except as otherwise provided in Section 6.05 hereof, after the termination of the Plan an Option or Stock Award that has been granted prior to such termination shall remain in effect in accordance with the provisions of the agreement evidencing such Option or Stock Award.

6.03 Amendment of the Plan. Subject to the limitations set forth in this Section 6.03, the Board of Directors may at any time and from time to time amend, modify or suspend the Plan. No such amendment, modification or suspension shall (a) adversely affect an Option or Stock Award theretofore granted to any Holder or Awardee, or deprive any Holder or Awardee of any shares of Common Stock he or she has acquired or may acquire under such an Option or Stock Award, without his or her written consent, or (b) be made without the approval of the stockholders of the Company if such amendment, modification or suspension would (i) expand the types of grants or awards that may be made under the Plan, (ii) increase the total number of shares of Common Stock that may be granted under the Plan or decrease the exercise price of Options granted or to be granted under the Plan (other than as provided in Section 5.02 hereof), (iii) materially expand the class of persons eligible to be granted Options or Stock Awards under the Plan, (iv) materially increase the benefits accruing to Holders or Awardees under the Plan, (v) extend the term of the Plan or the exercise period applicable to an Option, or (vi) constitute a material revision of the Plan requiring stockholder approval under the New York Stock Exchange Corporate Governance Listing Standards or applicable law.

6.04 Treatment of Proceeds. Proceeds from the sales of Common Stock pursuant to the exercise of Options shall constitute general funds of the Company.

6.05 Effectiveness. This Plan originally became effective on the date the Plan was approved by the stockholders of the Company at their 2005 regular meeting. This amendment and restatement of the Plan is effective as of October 20, 2015, the date of its approval and adoption by the Board and applies to awards that continue to be outstanding after the Plan's termination on March 31, 2015.

6.06 Termination of 1988 Plan. This Plan is intended to supersede and replace the 1988 Nonqualified Stock Option Plan for Non-Employee Directors of Noble Energy, Inc., as amended (the "1988 Plan"). The 1988 Plan shall terminate on the date the Plan is approved by the stockholders of the Company in accordance with the provisions of Section 6.05 hereof.

6.07 Internal Revenue Code Section 409A. The compensation payable by the Company to or with respect to a Holder or an Awardee pursuant to this Plan is intended to be compensation that is not subject to the tax imposed by Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the Plan and the agreements evidencing the Options and Stock Awards shall be administered and construed to the fullest extent possible to reflect and implement such intent; provided, however, that any provision of this Plan or an agreement to the contrary notwithstanding, the Company and its Affiliates and their respective directors, officers, employees and agents do not guarantee any particular tax treatment with respect to the compensation payable pursuant to the Plan or an agreement, and shall not be responsible or liable for any such treatment.

IN WITNESS WHEREOF, the undersigned has executed this Plan on this 20th day of October, 2015.

NOBLE ENERGY, INC.

By: /s/ David L. Stover

Name: David L. Stover

Title: President & Chief Executive Officer

**2015 STOCK PLAN
FOR NON-EMPLOYEE DIRECTORS
OF
NOBLE ENERGY, INC.**

(As Amended and Restated Effective October 20, 2015)

RECITALS

A. The Board of Directors of Noble Energy, Inc., a Delaware corporation (the “Company”), heretofore adopted the 2015 Stock Plan for Non-Employee Directors of Noble Energy, Inc. (the “Plan”). The Board of Directors of the Company hereby amends and restates the Plan in its entirety in order to clarify and update certain provisions including the methods available for the exercise of Options awarded hereunder both with respect to currently outstanding Options and those granted in the future

B. The Plan became effective upon the termination of the 2005 Stock Plan for Non-Employee Directors of Noble Energy, Inc. (the “2005 Plan”) at the close of business on March 31, 2015. This Plan supersedes and replaces the 2005 Plan; provided, however, that awards granted pursuant to the 2005 Plan prior to its termination remain in effect and are governed by the provisions of the 2005 Plan.

B. The purposes of the Plan are to provide to each of the directors of the Company who is not an employee of the Company or one of its affiliates an added incentive to continue in the service of the Company and a more direct interest in the future success of the operations of the Company by granting to such directors (i) options to purchase shares of the Company’s common stock (the “Common Stock”), and (ii) awards of restricted shares of Common Stock, in each case subject to the terms and conditions set forth below.

ARTICLE I

GENERAL

1.01 Definitions. Unless the context clearly indicates otherwise, when used in this Plan:

(a) “Affiliate” means any corporation, partnership, limited liability company, association, trust or other organization which, directly or indirectly, controls, is controlled by, or is under common control with, the Company.

(a) “Awardee” means, with respect to a Stock Award, the Non-Employee Director to whom the Stock Award has been granted pursuant to the Plan.

(b) “Board of Directors” means the Board of Directors of the Company.

(c) “Common Stock” means the Company’s common stock.

- (d) “Company” means Noble Energy, Inc., a Delaware corporation.
- (e) “Effective Date” means March 31, 2015.
- (f) “Employee” means an individual who, at the time of the performance of his or her services for the Company or one of its Affiliates, is treated by the Company or such Affiliate as an employee for federal income tax purposes.
- (g) “Fair Market Value” means, with respect to a share of Common Stock, the closing sales price per share of Common Stock on the New York Stock Exchange on the date in question (or, if there was no reported sale on the New York Stock Exchange on such date, then on the last preceding day on which any reported sale occurred on the New York Stock Exchange).
- (h) “Holder” means, with respect to an Option, the Non-Employee Director to whom the Option has been granted pursuant to the Plan.
- (i) “Non-Employee Director” means an individual who (i) is a member of the Board of Directors by virtue of being elected to the Board of Directors by the stockholders of the Company or by the Board of Directors under applicable corporate law, and (ii) is not an Employee of the Company or one of its Affiliates.
- (j) “Option” means an option to purchase shares of Common Stock granted pursuant to Article III of the Plan.
- (k) “Permitted Transferee” means, with respect to a Holder, (i) any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the Holder, including adoptive relationships, (ii) any person sharing the Holder’s household (other than a tenant or an employee), (iii) a trust in which the Holder and/or persons described in clauses (i) and (ii) above have more than fifty percent of the beneficial interest, (iv) a foundation in which the Holder and/or persons described in clauses (i) and (ii) above control the management of assets, and (v) any other entity in which the Holder and/or persons described in clauses (i) and (ii) above own more than fifty percent of the voting interests.
- (l) “Plan” means this 2015 Stock Plan for Non-Employee Directors of Noble Energy, Inc. as in effect from time to time.
- (m) “Restricted Period” means, with respect to a Stock Award, the period during which the restrictions, terms and conditions applicable to the shares of Common Stock granted under such Stock Award have not been satisfied.
- (n) “Stock Award” means an award of restricted shares of Common Stock granted pursuant to Article IV of the Plan.
- (o) “2005 Plan” means the 2005 Stock Plan for Non-Employee Directors of Noble Energy, Inc., as amended.

(p) “Termination for Cause” means the termination by the Company of a Non-Employee Director’s membership on the Board of Directors on account of (i) fraud or intentional misrepresentation, or (ii) embezzlement, misappropriation or conversion of assets or opportunities of the Company or its Affiliates.

1.02 Construction. The titles to the Articles and the headings of the Sections in this Plan are placed herein for convenience of reference only, and shall not be deemed to be material or relevant to the construction or interpretation of the Plan. Terms in masculine, feminine and neuter genders shall be construed to include any other gender, and words in the singular form shall be construed to include the plural form, and vice versa, unless the context clearly indicates otherwise.

ARTICLE II

ADMINISTRATION

The Plan shall be administered by the Board of Directors. Subject to the express provisions of the Plan, the Board of Directors shall have the authority, in its discretion, to (a) determine which Non-Employee Directors will be granted Options and Stock Awards, (b) determine the number of shares of Common Stock to be made subject to each Option or Stock Award, (c) determine the exercise price for the shares of Common Stock to be made subject to each Option (which exercise price per share shall not be less than the Fair Market Value of such share on the date such Option is granted), (d) determine the period within which each Option may be exercised (which exercise period shall not exceed ten years from the date such Option is granted), (e) determine the restrictions (including forfeiture restrictions), terms and conditions to be applicable to each Option or Stock Award, (f) construe and interpret the provisions of the Plan and any agreement evidencing an Option or Stock Award, (g) amend the agreement evidencing the grant of any Option or Stock Award to accelerate its exercisability or the lapse of its restrictions or otherwise modify the restrictions, terms and conditions applicable to such Option or Stock Award, and (h) adopt such rules and procedures, appoint such agents and take all such other action as the Board of Directors may deem to be necessary or appropriate for the proper administration of the Plan. The decisions of the Board of Directors with respect to the Plan and any Option or Stock Award shall be final and binding upon the Company, the Holders and Awardees, and all other persons having or claiming to have an interest in the Plan or an Option or Stock Award granted pursuant to the Plan. No member of the Board of Directors shall incur any liability by reason of any action taken or omitted in good faith with respect to the Plan or an Option or Stock Award granted pursuant to the Plan.

ARTICLE III

OPTIONS

3.01 Grant of Options. At any time and from time to time the Board of Directors in its discretion may grant an Option to any Non-Employee Director; provided, however, that the aggregate number of shares of Common Stock that may be subject to Options granted to a particular Non-Employee Director during any calendar year shall not exceed 22,400. Each Option granted pursuant to the Plan shall be subject to the restrictions, terms and conditions set forth in Section 3.02 below, and to such other restrictions (including forfeiture restrictions), terms and conditions

not inconsistent therewith or with the other provisions of the Plan as shall be determined by the Board of Directors in its discretion at the time of the granting of such Option.

3.02 Option Terms and Agreement. The price at which each share of Common Stock that is subject to an Option may be purchased shall be the Fair Market Value of such share on the date of the grant of such Option. Each Option shall be exercisable from time to time over the period of time commencing one year from the date of the grant of such Option and ending, unless terminated earlier pursuant to the provisions of Section 3.02(a) hereof, upon the expiration date specified for such Option by the Board of Directors at the time of the grant of such Option; provided, however, that each Option granted to a Holder shall become exercisable in full in accordance with the provisions of Section 3.02(a)(ii) hereof. Each Option granted under the Plan shall be evidenced by a written agreement entered into by the Company and the Non-Employee Director to whom the Option is granted, which agreement shall be in such form as the Board of Directors may prescribe, and shall include, incorporate or conform to the following terms and conditions, and such other terms and conditions not inconsistent therewith or with the other provisions of the Plan, as the Board of Directors may deem to be appropriate:

(a) Termination of Service, Death, Etc. The agreement evidencing the grant of an Option shall provide as follows with respect to the exercise of such Option in the event that the Holder ceases to be a Non-Employee Director for the reasons set forth below:

(i) If the Holder experiences a Termination for Cause, then the Option shall automatically terminate and be of no further force or effect as of the date the Holder's directorship terminated;

(ii) If the Holder dies or becomes disabled (within the meaning of section 22(e)(3) of the Internal Revenue Code of 1986, as amended, as determined by the Board of Directors in its discretion) while a director of the Company, or retires as a regular director of the Company because of age in accordance with the mandatory retirement provisions of Article III of the By-laws of the Company, the Option shall become exercisable in full and may be exercised prior to the earlier of (A) the expiration of five years after such death or disability, or (B) the expiration of the exercise period applicable to such Option, but not thereafter, by the executor or administrator of the estate of the Holder, or by the person or persons who shall have acquired the Option by bequest or inheritance or permitted transfer; or

(iii) If the directorship of a Holder is terminated within the exercise period applicable to such Option for any reason other than a reason specified in paragraphs (i) and (ii) of this Section 3.02(a), such Option may be exercised, to the extent the Holder was able to do so at the date of termination of the directorship, prior to the earlier of (A) the expiration of five years after such termination, or (B) the expiration of the exercise period applicable to such Option, but not thereafter.

(b) Transferability. Except as provided in this Section, no Option granted under the Plan shall be (i) transferable otherwise than by will or the laws of descent and distribution, or (ii) exercisable during the lifetime of the Holder by anyone other than the Holder. An Option granted under the Plan to a Holder may be transferred by such Holder to a Permitted

Transferee, provided that (i) there is no consideration for such transfer (other than receipt by the Holder of interests in an entity that is a Permitted Transferee); (ii) the Holder (or such Holder's estate or representative) shall remain obligated to satisfy all income or other tax withholding obligations associated with the exercise of such Option; (iii) the Holder shall notify the Company in writing that such transfer has occurred and disclose to the Company the name and address of the Permitted Transferee and the relationship of the Permitted Transferee to the Holder; and (iv) such transfer shall be effected pursuant to transfer documents in a form approved by the Board of Directors. A Permitted Transferee may not further assign or transfer any such transferred Option otherwise than by will or the laws of descent and distribution. Following the transfer of an Option to a Permitted Transferee, such Option shall continue to be subject to the same terms and conditions that applied to it prior to its transfer by the Holder, except that it shall be exercisable by the Permitted Transferee to whom such transfer was made rather than by the transferring Holder.

(c) Agreement to Continue in Service. Each Holder shall agree to remain in the continuous service of the Company, at the pleasure of the Company's stockholders, at least until the earlier of one year after the date of the grant of any Option or the mandatory retirement of the Holder as a regular director because of age in accordance with Article III of the By-laws of the Company, at the retainer rate and fee schedule then in effect or at such changed rate or schedule as the Company from time to time may establish.

(d) Exercise and Payments. Each agreement evidencing the grant of an Option shall provide that such Option may be exercised by delivery to the President of the Company of, or by sending by United States registered or certified mail, postage prepaid, addressed to the Company (for the attention of its President), a written notice signed by Holder specifying the number of shares of Common Stock with respect to which such Option is being exercised. Such notice shall be accompanied by the full amount of the exercise price of such shares. Unless expressly provided otherwise in the agreement evidencing the grant of such Option, the full amount of the exercise price of such shares may be paid (i) in cash, (ii) by certified check or cashier's check, (iii) by tendering (either actually or by attestation) shares of Common Stock owned by the exercising Holder or Permitted Transferee, or (iv) any combination of clauses (i) through (iii). If the exercising Holder or Permitted Transferee chooses to tender shares of Common Stock in payment of all or part of the exercise price, then (for purposes of payment of the exercise price) those shares of Common Stock shall have a cash value equal to their aggregate Fair Market Value determined as of the of exercise. Any such notice shall be deemed to be given on the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as above-stated. In addition to the foregoing, promptly after demand by the Company, the exercising Holder shall pay to the Company an amount equal to any applicable withholding taxes due in connection with such exercise. The foregoing provisions of this paragraph to the contrary notwithstanding, at the request of an exercising Holder or Permitted Transferee and to the extent permitted by applicable law, the Company shall approve arrangements with a brokerage firm or firms under which any such brokerage firm shall, on behalf of the exercising Holder or Permitted Transferee, make payment in full to the Company of the exercise price of the shares of Common Stock then being purchased, and the Company, pursuant to an irrevocable notice in writing from the exercising Holder or

Permitted Transferee, shall make prompt delivery of one or more certificates for the appropriate number of shares of Common Stock to such brokerage firm. Payment in full for purposes of the immediately preceding sentence shall mean payment of the full amount due, either in cash or by certified check or cashier's check.

ARTICLE IV

STOCK AWARDS

4.01 Grant of Stock Awards. At any time and from time to time the Board of Directors may grant a Stock Award to any Non-Employee Director; provided, however, that the aggregate number of shares of Common Stock that may be subject to Stock Awards granted to a particular Non-Employee Director during any calendar year shall not exceed 9,600. Each Stock Award granted pursuant to the Plan shall be subject to the restrictions, terms and conditions set forth in Sections 4.02 and 4.03 below, and to such other restrictions (including forfeiture restrictions), terms and conditions not inconsistent therewith or with the other provisions of the Plan as shall be determined by the Board of Directors in its discretion at the time of the granting of such Stock Award.

4.02 Stock Award Restrictions. The shares of Common Stock granted under each Stock Award shall be restricted for a period of at least one year from the date of the grant of such Stock Award. No share of Common Stock granted under a Stock Award may be sold, assigned, transferred, discounted, exchanged, pledged or otherwise encumbered or disposed of until all of the restrictions, terms and conditions applicable to such shares have been satisfied. Each Stock Award granted under the Plan shall be evidenced by a written agreement entered into by the Company and the Non-Employee Director to whom the Stock Award is granted, which agreement shall be in such form as the Board of Directors may prescribe, and shall include, incorporate or conform to the following terms and conditions, and such other terms and conditions not inconsistent therewith or with the other provisions of the Plan, as the Board of Directors may deem to be appropriate:

(a) Termination of Service, Death, Etc. Each agreement evidencing a Stock Award shall provide as follows in the event that during the Restricted Period applicable to such Stock Award the Awardee thereof ceases to be a Non-Employee Director for the reasons described below:

(i) If the Awardee experiences a Termination for Cause, then all of the shares of Common Stock granted under such Stock Award shall be forfeited by the Awardee to the Company, and shall be transferred to the Company by the Awardee.

(ii) If the Awardee dies or becomes disabled (within the meaning of section 22(e)(3) of the Internal Revenue Code of 1986, as amended, as determined by the Board of Directors in its discretion) while a director of the Company, or retires as a regular director of the Company because of age in accordance with the mandatory retirement provisions of Article III of the By-laws of the Company, all restrictions, terms and conditions applicable to the shares of Common Stock granted under such Stock Award shall terminate, and such shares shall be delivered to the Awardee (or in the event of the Awardee's death, to the Awardee's estate) free of such restrictions, terms and conditions.

4.03 Additional Conditions. An Awardee shall be the record owner of the shares of Common Stock granted under a Stock Award and shall have all the rights of a stockholder with respect to such shares, including the right to vote and the right to receive dividends or other distributions made or paid with respect to such shares. During the Restricted Period applicable to the shares of Common Stock granted under a Stock Award, the certificate or certificates representing such shares shall bear a legend similar to the following:

The shares represented by this certificate have been issued pursuant to the terms of the 2015 Stock Plan for Non-Employee Directors of Noble Energy, Inc., and may not be sold, assigned, transferred, discounted, exchanged, pledged or otherwise encumbered or disposed of in any manner except as set forth in the terms of the agreement embodying the award of such shares dated _____, _____.

In order to enforce the restrictions, terms and conditions that are applicable to the shares of Common Stock granted under a Stock Award, the Board of Directors may require the Awardee thereof, upon the receipt of a certificate or certificates representing such shares, or at any time thereafter during the Restricted Period applicable to such Stock Award, to deposit such certificate or certificates, together with stock powers and other instruments of transfer, appropriately endorsed in blank, with the Company or an escrow agent designated by the Company under an escrow agreement in such form as by the Board of Directors shall prescribe. After the satisfaction of the restrictions, terms and conditions applicable to such shares, a new certificate, without the legend set forth above, for the number of shares that are no longer subject to such restrictions, terms and conditions shall be delivered to the Awardee. Any provision of this Plan to the contrary notwithstanding, the Board of Directors shall have the authority in its discretion to cancel at any time all or any portion of any outstanding restrictions, terms and conditions applicable to all or any portion of the shares of Common Stock granted under a Stock Award.

ARTICLE V

AUTHORIZED COMMON STOCK

5.01 Common Stock.

(a) Subject to adjustment from and after the Effective Date in accordance with the provisions of Section 5.02 hereof, the total number of shares of Common Stock as to which Options and Stock Awards may be granted pursuant to the Plan shall be (i) 708,996 shares of Common Stock, plus (ii) the number of shares of Common Stock allocable to the unexercised portion of any "Options" granted under the 2005 Plan that expire or terminate for any reason after the Effective Date.

(b) If any outstanding Option under the Plan shall expire or be terminated for any reason before the end of the exercise period applicable to such Option, the shares of Common Stock allocable to the unexercised portion of such Option may again be subject to the Plan. The Company shall, at all times during the existence of outstanding Options, retain as authorized and unissued shares of Common Stock at least the number of shares from time to time subject to the outstanding Options or otherwise assure itself of its ability to perform its obligation under the Plan.

(c) Shares of Common Stock repurchased by the Company using Option proceeds shall not be added to the number of shares of Common Stock available for grants of Options or Stock Awards under the Plan. Except as provided above in subsections (a) and (b) of this Section 5.01 with respect to shares of Common Stock allocable to the unexercised portion of an outstanding Option granted under this Plan or an “Option” granted under the 2005 Plan that expires or is terminated for any reason before the end of the exercise period applicable thereto, no other shares of Common Stock shall be added back to the total number of shares of Common Stock as to which Options and Stock Awards may be granted pursuant to this Plan, and no other share recycling shall be permitted.

5.02 Adjustments Upon Changes in Common Stock. In the event the Company shall effect a split of the outstanding shares of Common Stock or pay a dividend in shares of Common Stock, or in the event the outstanding shares of Common Stock shall be combined into a smaller number of shares, (a) the aggregate number of shares of Common Stock that may be subject to Options or Stock Awards granted to a particular Non-Employee Director during any calendar year pursuant to the provisions of Section 3.01 or 4.01 hereof, and (b) the maximum number of shares of Common Stock as to which Options and Stock Awards may be granted under the Plan as provided in Section 5.01 hereof, shall be increased or decreased proportionately. In the event that before delivery by the Company of all of the shares of Common Stock in respect of which any Option has been granted under the Plan, the Company shall have effected such a split, dividend or combination, the shares still subject to the Option shall be increased or decreased proportionately and the purchase price per share shall be increased or decreased proportionately so that the aggregate purchase price for all of the then optioned shares shall remain the same as immediately prior to such split, dividend or combination. In the event of a reclassification of the shares of Common Stock not covered by the foregoing, or in the event of a liquidation or reorganization, including a merger, consolidation or sale of assets, the Board of Directors of the Company shall make such adjustments, if any, as it may deem appropriate in the number, purchase price and kind of shares covered by the unexercised portions of Options theretofore granted under the Plan. The provisions of this Section 5.02 shall only be applicable if, and only to the extent that, the application thereof does not conflict with any valid governmental statute, regulation or rule.

ARTICLE VI

GENERAL PROVISIONS

6.01 Change in Control. In the event of a Change in Control while a Holder of an outstanding Option is a member of the Board of Directors, followed by the involuntary termination of such Holder’s membership on the Board of Directors, including a failure to re-nominate such Holder for election to the Board of Directors, for reasons other than a Termination for Cause within the 24-month period following the date of such Change in Control, such Option shall become exercisable in full. In the event of a Change in Control during the Restricted Period applicable to a Stock Award while the associated Awardee is a member of the Board of Directors, followed by the involuntary termination of such Awardee’s membership on the Board of Directors, including a failure to re-nominate such Awardee for election to the Board of Directors, for reasons other than a Termination for Cause within the 24-month period following the date of such Change in Control, all of the restrictions, terms and conditions applicable to the shares of Common Stock granted under

such Stock Award shall terminate, and such shares shall be delivered to the Awardee of such Stock Award free of such restrictions, terms and conditions. For the purposes of this Plan, a “Change in Control” shall be deemed to have occurred if:

(a) individuals who, as of the Effective Date, constitute the Board of Directors of the Company (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board of Directors of the Company, provided that any person becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company’s stockholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be, for purposes of this Plan, considered as though such person were a member of the Incumbent Board;

(b) consummation of a reorganization, merger or consolidation, in each case, with respect to which persons who were the stockholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own outstanding voting securities representing at least fifty-one percent (51%) of the combined voting power entitled to vote generally in the election of directors (“Voting Securities”) of the reorganized, merged or consolidated company;

(c) the stockholders of the Company shall approve a liquidation or dissolution of the Company or a sale of all or substantially all of the stock or assets of the Company; or

(d) any “person,” as that term is defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (other than the Company, any of its subsidiaries, any employee benefit plan of the Company or any of its subsidiaries, or any entity organized, appointed or established by the Company for or pursuant to the terms of such a plan), together with all “affiliates” and “associates” (as such terms are defined in Rule 12b-2 under the Exchange Act) of such person (as well as any “Person” or “group” as those terms are used in Sections 13(d) and 14(d) of the Exchange Act), shall become the “beneficial owner” or “beneficial owners” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of securities of the Company representing in the aggregate twenty-five percent (25%) or more of either (i) the then outstanding shares of Common Stock, or (ii) the Voting Securities of the Company, in either such case other than solely as a result of acquisitions of such securities directly from the Company. Without limiting the foregoing, a person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares the power to vote, or to direct the voting of, or to dispose, or to direct the disposition of, Common Stock or other Voting Securities of the Company shall be deemed the beneficial owner of such Common Stock or Voting Securities.

Notwithstanding the foregoing, a “Change in Control” of the Company shall not be deemed to have occurred for purposes of subparagraph (d) of this Section 6.01 solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of Common Stock or other Voting Securities of the Company outstanding, increases (i) the proportionate number of shares of Common Stock beneficially owned by any person to twenty-five percent (25%) or more of the shares of Common Stock then outstanding or (ii) the proportionate voting power represented by

the Voting Securities of the Company beneficially owned by any person to twenty-five percent (25%) or more of the combined voting power of all then outstanding Voting Securities; provided, however, that if any person referred to in clause (i) or (ii) of this sentence shall thereafter become the beneficial owner of any additional shares of Common Stock or other Voting Securities of the Company (other than a result of a stock split, stock dividend or similar transaction), then a Change in Control of the Company shall be deemed to have occurred for purposes of subparagraph (d) of this Section 6.01.

6.02 Termination of the Plan. The Board of Directors shall have the right and power to terminate this Plan at any time. If not sooner terminated by such action of the Board of Directors, the Plan shall terminate at the close of business on March 31, 2025. No Option or Stock Award shall be granted under the Plan after its termination. Except as otherwise provided in Section 6.05 hereof, after the termination of the Plan an Option or Stock Award that has been granted prior to such termination shall remain in effect in accordance with the provisions of the agreement evidencing such Option or Stock Award.

6.03 Amendment of the Plan. Subject to the limitations set forth in this Section 6.03, the Board of Directors may at any time and from time to time amend, modify or suspend the Plan. No such amendment, modification or suspension shall (a) adversely affect an Option or Stock Award theretofore granted to any Holder or Awardee, or deprive any Holder or Awardee of any shares of Common Stock he or she has acquired or may acquire under such an Option or Stock Award, without his or her written consent, or (b) be made without the approval of the stockholders of the Company if such amendment, modification or suspension would (i) expand the types of grants or awards that may be made under the Plan, (ii) increase the total number of shares of Common Stock that may be granted under the Plan or decrease the exercise price of Options granted or to be granted under the Plan (other than as provided in Section 5.02 hereof), (iii) materially expand the class of persons eligible to be granted Options or Stock Awards under the Plan, (iv) materially increase the benefits accruing to Holders or Awardees under the Plan, (v) extend the term of the Plan or the exercise period applicable to an Option, or (vi) constitute a material revision of the Plan requiring stockholder approval under the New York Stock Exchange Corporate Governance Listing Standards or applicable law.

6.04 Treatment of Proceeds. Proceeds from the sales of Common Stock pursuant to the exercise of Options shall constitute general funds of the Company.

6.05 Effectiveness. This Plan originally became effective as of the close of business on March 31, 2015 and was approved by the stockholders of the Company at their 2015 regular meeting held on April 28, 2015. This amendment and restatement of the Plan is effective as of October 20, 2015, the date of its approval and adoption by the Board.

6.06 Electronic Notice. Any provision of this Plan or an agreement evidencing an Option or Stock Award to the contrary notwithstanding, any provision in this Plan or in an agreement evidencing the grant of an Option or Stock Award setting forth a requirement for delivery of a written notice, agreement, consent, acknowledgment, or other documentation in writing, including a written signature, may be satisfied by electronic delivery of such notice, agreement, consent, acknowledgment, or other documentation, in a manner that the Board of Directors has prescribed or that is otherwise acceptable to the Board of Directors, provided that evidence of the intended

recipient's receipt of the electronic delivery is available to the Board of Directors and that such delivery is not prohibited by applicable laws and regulations.

6.07 Internal Revenue Code Section 409A. The compensation payable by the Company to or with respect to a Holder or an Awardee pursuant to this Plan is intended to be compensation that is not subject to the tax imposed by Section 409A of the Internal Revenue Code of 1986, as amended, and the Plan and the agreements evidencing the Options and Stock Awards shall be administered and construed to the fullest extent possible to reflect and implement such intent; provided, however, that any provision of this Plan or an agreement to the contrary notwithstanding, the Company and its Affiliates and their respective directors, officers, employees and agents do not guarantee any particular tax treatment with respect to the compensation payable pursuant to the Plan or an agreement, and shall not be responsible or liable for any such treatment.

IN WITNESS WHEREOF, the undersigned has executed this Plan on this 20th day of October, 2015.

NOBLE ENERGY, INC.

By: /s/ David L. Stover
Name: David L. Stover
Title: President & Chief Executive Officer

Noble Energy, Inc.
Calculation of Ratio of Earnings to Fixed Charges

	Nine Months Ended September 30,		Year Ended December 31,		
	2015	2014	2013	2012	2011
<i>(millions)</i>					
Income (Loss) From Continuing Operations Before Income Tax and Income From Equity Investees	\$ (653)	\$ 1,540	\$ 1,138	\$ 1,170	\$ 309
Add (Deduct)					
Fixed Charges	315	349	296	288	207
Capitalized Interest	(111)	(116)	(121)	(151)	(132)
Distributed Income From Equity Investees	55	382	204	204	225
Earnings as Defined	\$ (394)	\$ 2,155	\$ 1,517	\$ 1,511	\$ 609
Net Interest Expense	183	210	158	125	65
Capitalized Interest	111	116	121	151	132
Interest Portion of Rental Expense	21	23	17	12	10
Fixed Charges as Defined	\$ 315	\$ 349	\$ 296	\$ 288	\$ 207
Ratio of Earnings to Fixed Charges	—	6.2	5.1	5.2	2.9
Amount by Which Earnings Were Insufficient to Cover Fixed Charges	\$ 709	\$ —	\$ —	\$ —	\$ —

**Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 7241)**

I, David L. Stover, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Noble Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2015

/s/ David L. Stover

David L. Stover

Chief Executive Officer

**Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 7241)**

I, Kenneth M. Fisher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Noble Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2015

/s/ Kenneth M. Fisher

Kenneth M. Fisher
Chief Financial Officer

**Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)**

In connection with the accompanying Quarterly Report of Noble Energy, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2015 (the "Report"), I, David L. Stover, Chief Executive Officer of the Company, hereby certify that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2015

/s/ David L. Stover

David L. Stover

Chief Executive Officer

**Certification Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)**

In connection with the accompanying Quarterly Report of Noble Energy, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2015 (the "Report"), I, Kenneth M. Fisher, Chief Financial Officer of the Company, hereby certify that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 2, 2015

/s/ Kenneth M. Fisher

Kenneth M. Fisher

Chief Financial Officer