

SETTLEMENT AGREEMENT

The Wyoming Department of Environmental Quality, Air Quality Division ("DEQ/AQD"), Herschler Building, 122 West 25th Street, Cheyenne, WY 82002, and Noble Energy, Inc. ("Noble"), 1625 Broadway, Suite 2000, Denver, CO 80202, enter into this Settlement Agreement ("Agreement") to fully and finally resolve without litigation the alleged violations cited in DEQ Notice of Violation Docket No. 4508-07 ("NOV") and alleged additional violations subsequently brought to the DEQ/AQD's attention during settlement negotiations. As more fully set forth below, the NOV alleged that Noble failed to obtain DEQ/AQD construction permits prior to constructing the Federal 13-20B, State 44-36, Iron Horse 31-36E, Iron Horse State 12-36, Iron Horse Federal 43-1-R, Iron Horse Federal 11-34-B, Iron Horse Federal 44-5-C, Iron Horse Federal 23-4, Iron Horse Federal 44-1-C, Iron Horse Federal 22-1-C, Siberia Ridge 6-23, Siberia Ridge 7-23, Siberia Ridge 8-23, Noble Federal 6-22, Noble Federal 8-22, Miceli 14-14, Miceli 24-14 and Siberia Ridge 9-23 facilities ("Facilities") and, during settlement negotiations, Noble disclosed, and the DEQ/AQD alleged, similar additional violations at the Iron Horse Federal 43-4-C, Iron Horse Federal 31-4-C, Iron Horse Federal 34-33-B, Noble Federal 7-22. Noble also disclosed, and the DEQ/AQD alleged, that Noble installed a larger glycol pump than permitted at the Iron Horse Compressor Station, located in Sweetwater County, Wyoming, thereby violating the Wyoming Environmental Quality Act ("Act"), applicable Wyoming Air Quality Standards and Regulations ("WAQSR"), and representations made by Noble in the application for permit CT-4418.

WYO. STAT. ANN. § 35-11-901(a)(ii) (West 2007) authorizes stipulated settlement, including payment of a penalty, implementation of compliance schedules or other settlement conditions in lieu of litigation. To that end, Noble and the DEQ/AQD hereby stipulate and agree as follows:

1. Noble is a Delaware corporation that owns and/or operates various gas production wells and facilities, including these Facilities.
2. The DEQ/AQD is responsible for enforcing the Act and the WAQSR.
3. WYO. STAT. ANN. § 35-11-801(c) states: "A permit to construct is required before construction or modification of any industrial facility capable of causing or increasing air or water pollution in excess of standards established by the department is commenced."
4. Chapter 6, Section 2 of the WAQSR prescribes the applicability and procedures for issuing permits to sources under Wyoming's construction and modification permitting program.

5. Chapter 6, Section 2(a)(i) of the WAQSR states: "Any person who plans to construct any new facility or source, modify any existing facility or source, or to engage in the use of which may cause the issuance of or an increase in the issuance of air contaminants into the air of this state shall obtain a construction permit from the State of Wyoming, Department of Environmental Quality before any actual work is begun on the facility."

6. The DEQ/AQD issued WAQSR Ch. 6 § 2 permitting guidance for Oil and Gas Production Facilities ("Guidance") in June 1997, with subsequent revisions in November 1998, January 2000, August 2001, July 2004, and August 2007. The Guidance indicates what DEQ/AQD accepts as meeting the intent of Wyoming's regulatory requirement to obtain a construction permit prior to the construction or operation of new air emission sources. Pursuant to this Guidance, a facility is required to submit a complete "Notice of Installation" within 40 days of the first date of production, comply with the "presumptive BACT [Best Available Control Technology]" and to submit a complete Chapter 6, Section 2 permit application within 180 days of the first date of production. Additional cautions within the permitting guidance state that facilities cannot emit regulated air pollutants at rates which equal or exceed the major source levels.

7. The DEQ/AQD's review of permit applications for the Facilities indicated that Noble constructed the Facilities but failed to provide timely permit applications. During the course of settlement negotiations, Noble informed the DEQ/AQD of potential similar situations at the Iron Horse Federal 43-4-C, Iron Horse Federal 31-4-C, Iron Horse Federal 34-33-B and Noble Federal 7-22 ("Additional Facilities"). The DEQ/AQD's review of permit applications for the Additional Facilities also indicated that Noble constructed the Additional Facilities but failed to provide timely permit applications.

8. The DEQ/AQD's review of permit CT-4418 for the Iron Horse Compressor Station ("Station Facility") indicated that Noble installed a larger glycol pump than what Noble had represented in the application for permit CT-4418.

9. The DEQ/AQD alleges Noble's failure to provide timely permit applications for the Facilities and the Additional Facilities violated the Act and the WAQSR.

10. The DEQ/AQD and Noble agree to resolve the alleged violations described above and more fully set forth in the NOV and the additional alleged violations disclosed to the DEQ/AQD during settlement negotiations in lieu of litigation under WYO. STAT. ANN. § 35-11-901(a)(ii), as follows:

- A. Noble will pay the DEQ/AQD nineteen thousand five hundred dollars and no cents (\$19,500.00) as a stipulated cash penalty. Within thirty (30) days after Noble has been notified by the DEQ/AQD that the final signature has been affixed to this Agreement, Noble shall make full payment by check made payable to the Wyoming Department of Environmental Quality, Air Quality Division. Noble shall mail the payment to Nancy Vehr, Sr. Asst. Attorney General, 123 Capitol Building, Cheyenne, WY 82002.
- B. On or before July 31, 2008, Noble has installed flare controls on the four remaining uncontrolled wells: Iron Horse Federal 12-4-C, Iron Horse Federal 22-1-C, Iron Horse Federal 42-1-C/44-1-C.
- C. On or before October 31, 2008, Noble has installed data loggers on the following six wells: Iron Horse Federal 12-4-C, Iron Horse Federal 31-4-C, Iron Horse Federal 42-1-C/44-1-C, Iron Horse Federal 43-4-C and Iron Horse Federal 34-33-B.

11. Noble, by entering into this Agreement, does not concede or admit to any liability or fault, and this Agreement constitutes no admission of liability or fault.

12. Full compliance with this signed Agreement shall constitute full satisfaction for all claims by the DEQ/AQD against Noble based on NOV Docket No. 4508-07 and for the additional alleged violations disclosed during settlement negotiations, and solely in reliance on this Agreement, the DEQ/AQD will refrain from taking further enforcement action against Noble for these particular violations.

13. In the event that Noble fails to fulfill its obligations under this Agreement, Noble waives any statute of limitation claims that may apply in an enforcement action by the DEQ/AQD involving the specific matters described in NOV Docket No. 4508-07 or for the additional alleged violations disclosed during settlement negotiations.

14. This Agreement shall be admissible by either Noble or the DEQ/AQD (hereinafter Noble and the DEQ/AQD may be referred to individually as "Party" and collectively as "Parties") without objection by the other Party only in an action between these Parties relating to the violations alleged herein; provided, however, that nothing herein constitutes an admission by Noble of liability or fault.

15. Neither Party hereto shall have any claim against the other for attorneys' fees or other costs incurred with the allegation resolved hereby, including costs incurred in the preparation of this Agreement. Each Party shall bear its own attorney fees and costs, if any, incurred through the date this Agreement is signed by both Parties. Each Party

assumes the risk of any liability arising from its own conduct. Neither Party agrees to insure, defend or indemnify the other.

16. Any changes, modifications, revisions or amendments to this Agreement that are mutually agreed upon by the Parties shall be incorporated by written instrument, executed and signed by all Parties to this Agreement.

17. The construction, interpretation and enforcement of this Agreement shall be governed by the laws of the State of Wyoming. The Courts of the State of Wyoming shall have jurisdiction over this Agreement and the Parties, and the venue shall be the First Judicial District, Laramie County, Wyoming.

18. This Agreement, consisting of five (5) pages represents the entire and integrated agreement between the Parties and supersedes all prior negotiations, representations, and agreements, whether written or oral.

19. The State of Wyoming and the DEQ/AQD do not waive sovereign immunity by entering into this Agreement and specifically retain immunity and all defenses available to them as sovereigns pursuant to WYO. STAT. ANN. § 1-39-104(a) and all other state law.

20. The Parties do not intend to create in any other individual or entity the status of third party beneficiary, and this Agreement shall not be construed so as to create such status. The rights, duties and obligations contained in this Agreement shall operate only between the Parties to this Agreement and shall inure solely to the benefit of the Parties to this Agreement. The Parties to this Agreement intend and expressly agree that only Parties signatory to this Agreement shall have any legal or equitable right to seek to enforce this Agreement, to seek any remedy arising out of a Party's performance or failure to perform any term or condition of this Agreement, or to bring an action for the breach of this Agreement.

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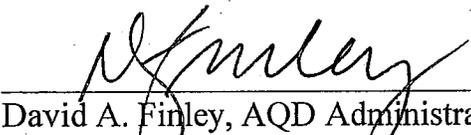
21. Each Party represents that they are authorized to enter into this Agreement and agree to be bound hereby. This Agreement shall become binding upon the Parties once executed by all Parties.

IN WITNESS THEREOF, the Parties, by their duly authorized representatives, have executed this Agreement on the days and dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this Agreement:

NOBLE ENERGY, INC.:

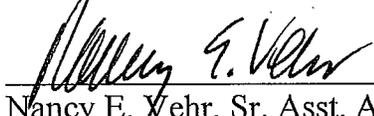
By:  2/4/09
Robert H. Bemis Date
Vice-President - EHS *aw*

STATE OF WYOMING, DEPARTMENT OF ENVIRONMENTAL QUALITY

By:  2/12/09
David A. Finley, AQD Administrator Date

By:  2/13/09
John Corra, DEQ Director Date

APPROVAL AS TO FORM:

 1/30/09
Nancy E. Wehr, Sr. Asst. Attorney General Date
Attorney for DEQ/AQD