APACHE CORP

FORM 10-K
(Annual Report)

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Industry	Oil & Gas Operations
Sector	Energy
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(MARK ONE)

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999,

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 1-4300

APACHE CORPORATION

A DELAWARE CORPORATION IRS EMPLOYER NO. 41-0747868

**ONE POST OAK CENTRAL
2000 POST OAK BOULEVARD, SUITE 100
HOUSTON, TEXAS 77056-4400
TELEPHONE NUMBER (713) 296-6000**

Securities Registered Pursuant to Section 12(b) of the Act:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, $1.25 par Value	New York Stock Exchange Chicago Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange Chicago Stock Exchange
Automatically Convertible Equity Securities Conversion Preferred Stock, Series C	New York Stock Exchange Chicago Stock Exchange
9.25% Notes due 2002	New York Stock Exchange
Apache Finance Canada Corporation 7.75% Notes Due 2029 Irrevocably and Unconditionally Guaranteed by Apache Corporation	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

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

Aggregate market value of the voting stock held by non-affiliates of registrant as of February 29, 1999......	$4,147,883,616
Number of shares of registrant's common stock outstanding as of February 29, 1999......................................	113,640,647

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of registrant's proxy statement relating to registrant's 2000 annual meeting of stockholders have been incorporated by reference into Part III hereof.

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All defined terms under Rule 4-10(a) of Regulation S-X shall have their statutorily prescribed meanings when used in this report. Quantities of natural gas are expressed in this report in terms of thousand cubic feet (Mcf), million cubic feet (MMcf) or billion cubic feet (Bcf). Oil is quantified in terms of barrels (bbls); thousands of barrels (Mbbls) and millions of barrels (MMbbls). Natural gas is compared to oil in terms of barrels of oil equivalent (boe) or million barrels of oil equivalent (MMboe). Oil and natural gas liquids are compared with natural gas in terms of million cubic feet equivalent (MMcfe) and billion cubic feet equivalent (Bcfe). One barrel of oil is the energy equivalent of six Mcf of natural gas. Daily oil and gas production is expressed in terms of barrels of oil per day (b/d) and thousands or millions of cubic feet of gas per day (Mcf/d and MMcf/d, respectively) or millions of British thermal units per day (MMBtu/d), respectively. Gas sales volumes may be expressed in terms of one million British thermal units (MMBtu), which is approximately, equal to one Mcf. With respect to information relating to the Company's working interest in wells or acreage, "net" oil and gas wells or acreage is determined by multiplying gross wells or acreage by the Company's working interest therein. Unless otherwise specified, all references to wells and acres are gross.

PART I

ITEM 1. BUSINESS

GENERAL

Apache Corporation (Apache or the Company), a Delaware corporation formed in 1954, is an independent energy company that explores for, develops and produces natural gas, crude oil and natural gas liquids. In North America, Apache's exploration and production interests are focused on the Gulf of Mexico, the Anadarko Basin, the Permian Basin, the Gulf Coast and the Western Sedimentary Basin of Canada. Outside of North America, Apache has exploration and production interests offshore Western Australia and in Egypt and exploration interests in Poland and offshore The People's Republic of China (China). Apache common stock, par value $1.25 per share, has been listed on the New York Stock Exchange since 1969, and on the Chicago Stock Exchange since 1960.

Apache holds interests in many of its U.S., Canadian and international properties through operating subsidiaries, such as Apache Canada Ltd., DEK Energy Company (DEKALB, formerly known as DEKALB Energy Company), Apache Energy Limited (formerly known as Hadson Energy Limited), Apache International, Inc., and Apache Overseas, Inc. Properties referred to in this document may be held by those subsidiaries. Apache treats all operations as one line of business.

1999 RESULTS

In 1999, Apache had record net income attributable to common stock of $186.4 million, or $1.73 per share, on total revenues of $1.3 billion. Net cash provided by operating activities during 1999 was $638.2 million, a 35 percent increase from 1998.

Apache reported its 22nd consecutive year of production growth (up 17 percent) and 12th consecutive year of oil and gas reserves growth (up 32 percent) in 1999. Apache's average daily production was 95 Mbbls of oil and natural gas liquids and 656 MMcf of natural gas for the year. Giving effect to 1999 production, acquisitions, dispositions, revisions and drilling activity, the Company's estimated proved reserves increased by 194 MMboe in 1999 over the prior year to 807 MMboe, of which approximately 49 percent was natural gas. Based on 613 MMboe reported at year-end 1998, Apache's reserve additions (including revisions) during the year reflect replacement of 416 percent of the Company's 1999 production. Apache's drilling and production-enhancement program yielded 190 new producing wells out of 252 attempts and involved 579 major North American workover and recompletion projects during the year.

At December 31, 1999, Apache held interests in approximately 4,307 net oil and gas wells and 2,148,620 net developed acres of oil and gas properties worldwide. In addition, the Company had approximately 977,292 net undeveloped acres under North American leases and 18,755,419 net undeveloped acres under international exploration and production rights.

APACHE'S GROWTH STRATEGY

Apache's growth strategy is to increase oil and gas reserves, production, cash flow and earnings through a combination of exploratory drilling, development of its inventory of existing projects, and property acquisitions meeting defined financial parameters. The Company's drilling program emphasizes reserve additions through low to moderate-risk drilling primarily on its North American interests, and exploratory and subsequent development drilling primarily on its international interests. The Company also emphasizes reducing operating costs per unit produced and selling marginal and non-strategic properties in order to enhance its profit margins.

Apache's international exploration activities are an emerging component of its long-term growth strategy. In addition to active, low to moderate-risk drilling and exploration activities in Apache's North American focus areas, higher-risk international exploration offers potential for greater rewards and significant reserve additions. Apache directed its international efforts in 1999 toward development of certain discoveries offshore Western Australia and in Egypt and toward further exploration efforts in those areas and on its concessions in

Poland. Apache believes that reserve additions in these international areas are likely to continue through higher-risk exploration and through appraisal and development drilling of prior exploratory discoveries.

For Apache, property acquisition is only one phase in a continuing cycle of business growth. Apache's aim is to follow each acquisition with a cycle of reserve enhancement, property consolidation and cash flow acceleration, facilitating asset growth and debt reduction. This approach requires a well planned and carefully executed property development program and, where appropriate, a selective program of property dispositions. It motivates Apache to target acquisitions that have ascertainable additional reserve potential and to apply an active drilling, workover and recompletion program to realize the potential of the acquired undeveloped and partially developed properties. Apache prefers to operate its properties so that it can best influence their development; as a result, the Company operates properties accounting for 82 percent of its production.

1999 ACQUISITIONS AND DISPOSITIONS

On February 1, 1999, the Company acquired oil and gas properties located in the Gulf of Mexico from Petsec Energy Inc. (Petsec) for an adjusted purchase price of $67.7 million. The Petsec transaction included estimated proved reserves of approximately 10.2 MMboe as of the acquisition date.

On May 18, 1999, Apache acquired from Shell Offshore Inc. and affiliated Shell entities (Shell Offshore) its interest in 22 producing fields and 16 undeveloped blocks located in the Gulf of Mexico. The transaction also included certain production-related assets and proprietary 2-D and 3-D seismic data covering approximately 1,000 blocks in the Gulf of Mexico. The purchase price was $687.7 million in cash and one million shares of Apache common stock (valued at $28.125 million). The Shell Offshore acquisition included approximately 123.2 MMboe of proved reserves as of the acquisition date.

On June 18, 1999, Apache acquired a 10 percent interest in the East Spar Joint Venture and an 8.4 percent interest in the Harriet Joint Venture, both located in the Carnarvon Basin (offshore Western Australia), from British-Borneo Oil and Gas Plc (British-Borneo) for $83.6 million cash and working interests in 11 leases in the Gulf of Mexico. The British-Borneo transaction included approximately 16.8 MMboe of proved reserves as of the acquisition date.

On November 30, 1999, Apache acquired from Shell Canada Limited (Shell Canada) producing properties and other assets for C$761 million (US$517.8 million). The producing properties consisted of 150,400 net acres and comprised 20 fields with an average working interest of 55 percent and proved reserves of
87.2 MMboe as of the acquisition date. Apache also acquired 294,294 net acres of undeveloped leaseholdings, a 100 percent interest in a gas processing plant with a potential throughput capacity of 160 MMcf per day, and 52,700 square miles of 2-D seismic and 884 square miles of 3-D seismic.

In 1999, the Company also completed tactical regional acquisitions for cash consideration totaling $17.7 million. These acquisitions added approximately 8.8 MMboe to the Company's proved reserves.

On September 3, 1999, Apache sold its holdings in the Ivory Coast by selling its wholly owned subsidiary, Apache Cote d'Ivoire Petroleum LDC, for a total sales price of $46.1 million to a consortium consisting of Mondoil Cote d'Ivoire LLC and Saur Energie Cote d'Ivoire. The sale consisted of 13.7 MMboe of proved reserves and a gain was recorded to other revenues in the accompanying statement of consolidated operations. Also, during 1999, Apache sold 27.9 MMboe of proved reserves in several transactions from largely marginal North American properties for $110 million.

EXPLORATION AND PRODUCTION

The Company's North American exploration and production activities are diversified among four operating regions: Offshore, Midcontinent, Southern and Canada. In July 1999, the Company combined its former Western region and the onshore properties from its former Gulf region to form the new Southern region, leaving its offshore properties in the renamed Offshore region. Approximately 73 percent of the Company's proved reserves are located in these North American regions. Egypt and Australia are the Company's most important international regions. The Company's Egyptian operations are headquartered in Cairo, and Apache conducts its Australian exploration and production operations from Perth. Information concerning the amount of revenue, operating income (loss) and total assets attributable to U.S., Canadian and international operations is set forth in Note 12 to the Company's consolidated financial statements under Item 8 below.

Offshore. The Offshore region comprises the Company's interests in the Gulf of Mexico, offshore Louisiana and Texas. In 1999, the Offshore region was Apache's leading region for production and production revenues contributing approximately $346.2 million in revenues from production of 21.3 MMboe for the year. The Company performed 110 workover and recompletion operations during 1999 in the offshore region and participated in drilling 24 wells, 16 of which were completed as producers. As of December 31, 1999, the region encompassed 482,204 net acres, and accounted for 146.8 MMboe, or 18 percent, of the Company's year-end 1999 total estimated proved reserves.

Midcontinent. Apache's Midcontinent region operates in Oklahoma, eastern and northern Texas, Arkansas and northern Louisiana. The region has focused operations on its sizable position in the Anadarko Basin of western Oklahoma. Apache has drilled and operated in the Anadarko Basin for over four decades, developing an extensive database of geologic information and a substantial acreage position. In 1999, the Midcontinent region had approximately 10.5 MMboe of production generating $143.7 million in revenue for the Company.

At December 31, 1999, Apache held an interest in 391,935 net acres in the region, which accounted for approximately 88.1 MMboe, or 11 percent, of Apache's total estimated proved reserves. Apache participated in drilling 48 wells in the Midcontinent region during the year, 40 of which were completed as producing wells. The Company performed 50 workover and recompletion operations in the region during 1999.

Southern. The Southern region includes assets in the Permian Basin of western Texas and New Mexico, the San Juan Basin of New Mexico, Central Texas, and the Texas and Louisiana coasts. In 1999, the Southern region produced approximately 14.1 MMboe and generated $212.3 million in production revenue. At December 31, 1999, the Company held 626,241 net acres in the region, which accounted for 206.3 MMboe, or 26 percent, of the Company's total estimated proved reserves. Apache participated in drilling 58 wells in the Southern region, 52 of which were productive wells. Apache performed 350 workovers and recompletions in the Southern region during the year.

Canada. Exploration and development activity in the Canadian region is concentrated in the Provinces of Alberta and British Columbia. The region produced approximately 7.4 MMboe and generated $86.9 million in production revenue in 1999. Apache participated in drilling 49 wells in this region during the year, 32 of which were completed as producers. The Company performed 69 workovers and recompletions on operated wells during 1999. At December 31, 1999, the region encompassed approximately 896,701 net acres, and accounted for 150.9 MMboe, or 19 percent, of the Company's year-end 1999 total estimated proved reserves.

Egypt. At year end, Apache held 11,803,569 net acres in Egypt with 65.1 MMboe of estimated proved reserves or eight percent of Apache's total estimated proved reserves. In 1999, Apache had 12.6 MMboe of production in Egypt, which generated $235.9 million in production revenues. Apache owns a 75 percent interest in the Qarun Block and a 40 percent interest in the Khalda Block, both located in the Western Desert of Egypt. Production of gas from Khalda is delivered for sale to the Egyptian General Petroleum Corporation (EGPC) at a point west of Alexandria, Egypt, via a 34-inch gas pipeline, construction of which commenced in 1997 and was completed in August 1999. Additional gas will be delivered via a southern line expected to be completed mid-year 2000. The costs of building the pipeline were borne by Apache, the other Khalda participants, and the owners of a neighboring block and are recoverable from oil and gas production from the Khalda Block.

In addition to the Qarun and Khalda Blocks, Apache holds interests in the East Beni Suef and Asyout Blocks to the south of the Qarun Block, and three other blocks in the Western Desert of Egypt, the North East Abu Gharadig Block, the East Bahariya Block, and the West Mediterranean Block No. 1 (partly onshore and partly offshore). Apache also acquired interests in the Ras El Hekma and Ras Kanayes concessions from Repsol Exploracion Egipto S.A. in December 1997.

On November 30, 1999 Apache acquired from Amoco Egypt 100 percent of the working interest in the WD-19 area in the Western Desert. This area has produced oil in the past, but is currently inactive. Apache intends to drill additional wells and, if successful, to tie them into adjoining Qarun facilities.

Both the Khalda and Qarun Concession Agreements provide that Apache and its partners in the concessions will pay all of the operating and capital costs for developing the concessions, while the production will be split between EGPC and the partners. Up to 40 percent of the oil and gas produced from each of the concessions is available to the Company and its partners to recover operating and capital costs for the applicable concession. To the extent eligible costs exceed 40 percent of the oil and gas produced and sold from a concession in any given quarter, such excess costs may be carried into future quarters without limit. The remaining 60 percent of all oil and gas produced from the concessions is divided between EGPC and Apache and its partners, with the percentage received by Apache and its partners reducing as the gross daily average of oil and gas produced on a quarterly basis increases. Under the Khalda Agreement, capital costs are amortized over four years, while the Qarun agreement provides for a five-year amortization.

Australia. Western Australia became an important region for Apache after the 1993 acquisition of Hadson Energy Resources Corporation (subsequently known as Apache Energy Resources Corporation). In 1999, natural gas production in the region increased by 51 percent from the prior year to approximately 76 MMcf/d. Apache acts as operator for most of its Western Australian properties through its wholly-owned subsidiary, Apache Energy Limited (AEL). During 1999, Apache had 8.5 MMboe of production generating $118.5 million of production revenue. Estimated proved reserves in Australia increased by 13 percent to 150.1 MMboe, or 19 percent of the Company's year-end total estimated proved reserves. The increase reflects, among other matters, the 1999 acquisition from British-Borneo of holdings in the East Spar and Harriet fields. As of December 31, 1999, Apache held 259,240 net developed acres and 1,664,440 net undeveloped acres offshore Western Australia. Through AEL and its subsidiaries, Apache also operates the Varanus Island gas hub with a throughput capacity of 240 MMcf/d and two 60-mile (12-inch and 16-inch) pipelines from Varanus Island to connections with the Dampier to Bunbury and Goldfields Gas Transmission pipelines. See "1999 Acquisitions and Dispositions" and "Oil and Natural Gas Marketing."

Other International Operations. Outside of Canada, Egypt and Australia, Apache currently has exploration interests in Poland and offshore China.

Apache obtained its first properties in Poland on April 16, 1997, when the Company assumed operatorship and a 50 percent interest in over 5.5 million acres in Poland located near Lublin, southeast of Warsaw, from FX Energy, Inc. (FX Energy). The Company has since acquired additional acreage in Poland, including approximately 1.8 million acres in the Carpathian area near the southern border of Poland and participation in a further 2.275 million acres in the Pomeranian area of northwest Poland, giving Apache interests in 11,468,335 total gross undeveloped acres and 5,734,169 net undeveloped acres as of December 31, 1999. Apache is obligated to drill at least ten wells and to shoot at least 1,250 miles of seismic data in Poland. At year end, drilling operations on the first five exploratory wells had been completed, and all were determined to be exploratory dry holes. Subsequent to year end, a sixth well, known as the Wilga well, tested at a combined rate of 16.9 MMcf of gas and 570 barrels of condensate per day. The well is located on Block 255 of the Vistula Concession in the Lublin basin. Apache and FX Energy plan to enter into further exploration and production agreements with the Polish Oil and Gas Company (POGC), the national oil company of Poland. Apache's operations in Poland are headquartered in Warsaw.

Apache is also the operator, with a 50 percent interest, of the Zhao Dong Block in Bohai Bay, offshore China. In 1994 and 1995, discovery wells tested at rates between 1,300 and 4,000 b/d of oil. The Company elected to proceed with the second exploration phase, commencing in May 1996, which involved a commitment to drill two additional exploratory wells. In early 1997, one well tested at rates up to 11,571 b/d of oil and another tested at rates up to 15,359 b/d. An overall development plan for the C and D Fields in the Zhao Dong Block was submitted to Chinese authorities in late 1997 and is awaiting approval.

On May 28, 1999, Apache China Corporation LDC (Apache China, an indirect wholly owned subsidiary of the Company) sent a notice of default to XCL-China, Ltd. (XCL-China), a participant with Apache China in the Zhao Dong Block offshore the People's Republic of China, and its parent company, XCL, Ltd., for the failure to pay approximately $10 million of costs pursuant to the agreements governing the project. Prior to the expiration of the cure period, XCL-China and XCL, Ltd. filed petitions initiating arbitration proceedings against Apache China. The actions seek to disallow approximately $17 million in costs expended by Apache China related to developing the Zhao Dong Block, including the $10 million in costs billed by Apache China to XCL-China that have not been paid. In addition, XCL-China has advised Apache China of XCL-China's intent to seek the removal of Apache China as operator of the Block. Apache China has denied the allegations made by XCL-China in its petition and is vigorously contesting them. On November 30, 1999 the arbitration proceedings were stayed in connection with the bankruptcy proceeding described below.

On June 25, 1999, Apache China filed a petition in U.S. Bankruptcy Court in Opelousas, Louisiana, to place XCL-China into involuntary bankruptcy under Chapter 7 of the Bankruptcy Code on account of XCL-China's failure to pay its share of costs related to development of the Zhao Dong Block. On December 21, 1999, the holders of XCL, Ltd.'s senior secured notes, acting through their Trustee, exercised their remedial rights under their indenture and removed the existing Board of Directors of XCL-China, electing a new Board. The new Board of Directors of XCL-China voted to withdraw XCL-China's opposition to Apache China's Chapter 7 bankruptcy petition filed against XCL-China and on December 22, 1999 obtained an order of the Court converting the proceeding into a voluntary Chapter 11 bankruptcy proceeding.

Apache China has entered into negotiations with the Chinese authorities concerning the terms and conditions of the development of the Zhao Dong Block including, among other things the portion of XCL-China's future development costs to be paid by the Chinese. Apache China is prepared to move forward as soon as these negotiations are satisfactorily concluded.

In September 1999, Apache sold its interests in the Ivory Coast as detailed in "1999 Acquisitions and Dispositions" above.

OIL AND NATURAL GAS MARKETING

On October 27, 1995, wholly owned affiliates of each of Apache, Oryx Energy Company and Parker & Parsley Petroleum Company (Parker & Parsley) formed Producers Energy Marketing LLC (ProEnergy), a Delaware limited liability company. ProEnergy became fully operational on April 1, 1996, and marketed substantially all of its members' domestic natural gas pursuant to member gas purchase agreements having an initial term of 10 years, subject to early termination following specified events. The price of gas purchased by ProEnergy from its members was based upon agreed to published indexes. Effective January 1, 1998, Parker & Parsley withdrew from ProEnergy. In June 1998, Apache sold its interest in ProEnergy to Cinergy Corp. (Cinergy) and formed a strategic alliance with Cinergy to market substantially all the Company's natural gas production from North America. ProEnergy, renamed Cinergy Marketing & Trading, LLC in June 1999, will continue to market Apache's North American natural gas production for 10 years, with an option to terminate after six years, under an amended and restated gas purchase agreement effective July 1, 1998. During this period, Apache is generally obligated to deliver most of its North American gas production to Cinergy and, under certain circumstances, may have to make payments to Cinergy if certain gas throughput thresholds are not met.

Separate from its arrangements with Cinergy, Apache is also delivering natural gas under several long-term supply agreements with terms greater than one year.

Apache assumed its own U.S. crude oil marketing operations in 1992. Most of Apache's U.S. crude oil production is sold through lease-level marketing to refiners, traders and transporters, generally under 30 day contracts that renew automatically until canceled. Oil produced from Canadian properties is sold to crude oil purchasers or refiners at market prices, which depend on worldwide crude prices adjusted for transportation and crude quality. Natural gas produced from Canadian properties is sold to major aggregators of natural gas, gas marketers and direct users under long-term and short-term contracts. The oil and gas contracts provide for sales at specified prices, or at prices that are subject to change due to market conditions.

The Company diversifies the markets for its Canadian gas production not presently committed to Cinergy by selling directly or indirectly to customers through aggregators and brokers in the United States and Canada.

Apache transports natural gas via the Company's firm transportation contracts to California (12 MMcf/d) and to the Province of Ontario, Canada (four MMcf/d) through end-users' firm transportation contracts. Pursuant to an agreement entered into in 1994, the Company is also selling five MMcf/d of natural gas to the Hermiston Cogeneration Project, located in the Pacific Northwest of the United States. In 1996, the Company entered into an agreement with Westcoast Gas Services, Inc. for the sale of 5,000 MMBtu/d for delivery in the United States for a 10 year term.

In Australia, the Company entered into two gas sales contracts during 1999, bringing its total to 18 contracts, with terms of four to 12 years to deliver 323 Bcf of AEL's gas from its Harriet and East Spar fields for mining, power generation, nickel refining, ammonia production and other industrial and domestic uses. Under these contracts AEL is required to deliver its gas at contract rates of approximately 111 MMcf/day increasing to 135 MMcf/d by mid 2000, with take or pay provisions, net to AEL, of approximately 28 Bcf/year increasing to 49 Bcf/year by the end of 2001. Apache operates both the Harriet and East Spar Joint Ventures, holding a 68.5 percent interest in Harriet and a 55 percent interest in East Spar.

In Egypt, oil from the Qarun Block is delivered by pipeline to tanks owned by the Company and its partners in the Qarun Concession at the Dashour pumping station northeast of the Qarun Block or by truck to the Tebbin refinery south of Alexandria, Egypt. At the discretion of the operator of the pipelines, oil from the Qarun Block is put into the two 42-inch diameter SUMED pipelines, which transport significant quantities of Egyptian and other crude oil from the Gulf of Suez to Sidi Kherir, west of Alexandria, Egypt, on the Mediterranean Coast. All Qarun and Khalda crude oil is currently sold to EGPC. In 1996, the Company and its partners in the Khalda Block entered into a take or pay contract with EGPC, which obligates EGPC to pay for 75 percent of 200 MMcf/d of future production of gas from the Khalda Block. Sales of gas under the contract began in 1999 upon completion of a gas pipeline from the Khalda Block. In late 1997, the same sellers entered into a supplement to the contract with EGPC to sell an additional 50 MMcf/d through a southern gas line being constructed by the Company and its partners from the Khalda Block to a point near the Qarun Block to tie into an existing gas pipeline. This southern line is expected to complete tie-in in mid-year 2000.

OIL AND NATURAL GAS PRICES

Natural gas prices remained volatile during 1999, with Apache's realized prices ranging from $1.60 per Mcf in March to $2.74 per Mcf in November. Fluctuations are largely due to market perceptions about natural gas supply and demand. Apache's average realized gas price of $2.16 per Mcf for 1999 was up 13 percent from the prior-year average of $1.92 per Mcf, and its 1998 average realized natural gas price was 16 percent lower than the 1997 average price of $2.28 per Mcf.

As a result of minimum price contracts which escalate at an average of 80 percent of the Australian consumer price index, AEL's natural gas production in Western Australia is not subject to price volatility as is Apache's U.S. and Canadian gas production; however, natural gas sales under such Australian minimum price contracts represented approximately 10.3 percent of the Company's total natural gas sales at the end of 1999. Total Australian gas sales in 1999, including long-term contracts and spot sales averaged $1.51 per Mcf, equal to the 1998 average.

In Egypt, all oil production from the East Beni Suef, Khalda, West Mediterranean and Qarun Blocks is currently sold to EGPC on a spot basis at a "Western Desert" price, which is applied to virtually all production from the area and is announced periodically by EGPC. In 1999, the average price was $18.63 per barrel. Discussions with EGPC regarding the possibility of exporting Qarun oil production are continuing. Gas sales from the Khalda Block commenced in 1999 based on a contract price that is equivalent to 85 percent of the price of Suez Blend crude oil, FOB Mediterranean.

Oil prices remained subject to unpredictable political and economic forces during 1999 and experienced fluctuations similar to those seen in natural gas prices for the year, but showing a significant upward trend. Apache believes that oil prices will continue to fluctuate in response to changes in the policies of the Organization of Petroleum Exporting Countries (OPEC), demand from Asian countries, events in the Middle East and other factors associated with the world political and economic environment. As a result of the many uncertainties associated with levels of production maintained by OPEC and other oil producing countries, the availabilities of worldwide energy supplies and the competitive relationships and consumer perceptions of various energy sources, the Company is unable to predict what changes will occur in crude oil and natural gas prices.

In 1999, Apache's realized worldwide crude oil price ranged from $10.09 per barrel in February to $24.11 per barrel in December. The average crude oil price of $18.43 per barrel in 1999 was up 46 percent from the average price of $12.66 per barrel in 1998, and four percent lower than the average price of $19.20 per barrel in 1997. The Company's average crude oil price for its Australian production was $19.70 per barrel in 1999, 51 percent more than the average price in 1998.

From time to time, Apache buys or sells contracts to hedge a limited portion of its future oil and gas production against exposure to spot market price changes. See Note 9 to the Company's consolidated financial statements under Item 8 below.

The Company's business has been and will continue to be affected by future worldwide changes in oil and gas prices and the relationship between the prices of oil and gas. No assurance can be given as to the trend in, or level of, future oil and gas prices.

WRITE-DOWNS UNDER THE FULL COST CEILING TEST RULES

Under the full cost accounting rules of the Securities and Exchange Commission (SEC), the Company reviews the carrying value of its proved oil and gas properties each quarter on a country-by-country basis. Under these rules, capitalized costs of proved oil and gas properties, net of accumulated depreciation, depletion and amortization, and deferred income taxes, may not exceed the present value of estimated future net cash flows from proved oil and gas reserves, discounted at 10 percent, plus the lower of cost or fair value of unproved properties included in the costs being amortized, net of related tax effects. These rules generally require pricing future oil and gas production at the unescalated oil and gas prices in effect at the end of each fiscal quarter and require a write-down if the "ceiling" is exceeded, even if prices declined for only a short period of time. The Company recorded a write-down in 1998, but had no write-downs due to ceiling test limitations in 1999. Given the volatility of oil and gas prices, it is reasonably possible that the Company's estimate of discounted future net cash flows from proved oil and gas reserves could change in the near term. If oil and gas prices decline significantly in the future, even if only for a short period of time, it is possible that additional write-downs of oil and gas properties could occur. Write-downs required by these rules do not impact cash flow from operating activities.

VOLATILE PRICES CAN MATERIALLY AFFECT THE COMPANY

The Company continually analyzes, forecasts and updates its estimates of energy prices for its internal use in planning, budgeting, and estimating and valuing reserves. The Company's future financial condition and results of operations will depend upon the prices received for the Company's oil and natural gas production and the costs of acquiring, finding, developing and producing reserves. Prices for oil and natural gas are subject to fluctuations in response to relatively minor changes in supply, market uncertainty and a variety of additional factors that are beyond the control of the Company. These factors include worldwide political instability (especially in the Middle East and other oil-producing regions), the foreign supply of oil and gas, the price of foreign imports, the level of drilling activity, the level of consumer product demand, government regulations and taxes, the price and availability of alternative fuels and the overall economic environment. A substantial or extended decline in oil and gas prices would have a material adverse effect on the Company's financial position, results of operations, quantities of oil and gas that may be economically produced, and access to capital. Oil and natural gas prices have historically been and are likely to continue to be volatile. This volatility makes it difficult to estimate with precision the value of producing properties in acquisitions and to budget and project the return on exploration and development projects involving the Company's oil and gas properties. In addition, unusually volatile prices often disrupt the market for oil and gas properties, as buyers and sellers have more difficulty agreeing on the purchase price of properties.

UNCERTAINTY IN CALCULATING RESERVES; RATES OF PRODUCTION; DEVELOPMENT EXPENDITURES; CASH FLOWS

There are numerous uncertainties inherent in estimating quantities of oil and natural gas reserves of any category and in projecting future rates of production and timing of development expenditures, which underlie the reserve estimates, including many factors beyond the Company's control. Reserve data represent only estimates. In addition, the estimates of future net cash flows from the Company's proved reserves and their present value are based upon various assumptions about future production levels, prices and costs that may prove to be incorrect over time. Any significant variance from the assumptions could result in the actual quantity of the Company's reserves and future net cash flows from them being materially different from the estimates. In addition, the Company's estimated reserves may be subject to downward or upward revision based upon production history, results of future exploration and development, prevailing oil and gas prices, operating and development costs and other factors.

ACQUISITION OR DISCOVERIES OF ADDITIONAL RESERVES IS NEEDED TO AVOID A MATERIAL DECLINE IN RESERVES AND PRODUCTION

The rate of production from oil and gas properties generally declines as reserves are depleted. Except to the extent that the Company acquires additional properties containing proved reserves, conducts successful exploration and development activities or, through engineering studies, identifies additional behind-pipe zones or secondary recovery reserves, the Company's proved reserves will decline materially as reserves are produced. Future oil and gas production is, therefore, highly dependent upon the Company's level of success in acquiring or finding additional reserves.

SUBSTANTIAL COSTS INCURRED TO CONFORM TO GOVERNMENT REGULATION OF THE OIL AND GAS INDUSTRY

The Company's exploration, production and marketing operations are regulated extensively at the federal, state and local levels, as well as by other countries in which the Company does business. The Company has made and will continue to make large expenditures in its efforts to comply with the requirements of environmental and other regulations. Further, the oil and gas regulatory environment could change in ways that might substantially increase these costs. Hydrocarbon-producing states regulate conservation practices and the protection of correlative rights. These regulations affect the Company's operations and limit the quantity of hydrocarbons the Company may produce and sell. In addition, at the U.S. federal level, the Federal Energy Regulatory Commission regulates interstate transportation of natural gas under the Natural Gas Act. Other regulated matters include marketing, pricing, transportation and valuation of royalty payments.

SUBSTANTIAL COSTS INCURRED RELATED TO ENVIRONMENTAL MATTERS

The Company, as an owner or lessee and operator of oil and gas properties, is subject to various federal, provincial, state, local and foreign country laws and regulations relating to discharge of materials into, and protection of, the environment. These laws and regulations may, among other things, impose liability on the lessee under an oil and gas lease for the cost of pollution clean-up resulting from operations, subject the lessee to liability for pollution damages, and require suspension or cessation of operations in affected areas.

The Company maintains insurance coverage, which it believes is customary in the industry, although it is not fully insured against all environmental risks. The Company is not aware of any environmental claims existing as of December 31, 1999, which would have a material impact upon the Company's financial position or results of operations.

The Company has made and will continue to make expenditures in its efforts to comply with these requirements, which it believes are necessary business costs in the oil and gas industry. The Company has established policies for continuing compliance with environmental laws and regulations, including regulations applicable to its operations in Canada, Australia and other countries. Apache also has established operational procedures and training programs designed to minimize the environmental impact of its field facilities. The costs incurred by these policies and procedures are inextricably connected to normal operating expenses such that the Company is unable to separate the expenses related to environmental matters; however, the Company does not believe any such additional expenses are material to its financial position or results of operations.

Although environmental requirements have a substantial impact upon the energy industry, generally these requirements do not appear to affect Apache any differently, or to any greater or lesser extent, than other companies in the industry. The Company does not believe that compliance with federal, state, local or foreign country provisions regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, will have a material adverse effect upon the capital expenditures, earnings or competitive position of the Company or its subsidiaries; however, there is no assurance that changes in or additions to laws or regulations regarding the protection of the environment will not have such an impact.

COMPETITION WITH OTHER COMPANIES COULD HARM THE COMPANY

The oil and gas industry is highly competitive. The Company's business could be harmed by competition with other companies. Because oil and gas are fungible commodities, the Company's principal form of competition is price competition. The Company strives to maintain the lowest finding and production costs possible to maximize profits. In addition, as an independent oil and gas company, the Company frequently competes for reserve acquisitions, exploration leases, licenses, concessions and marketing agreements against companies with financial and other resources substantially larger than the Company possesses. Many of the Company's competitors have established strategic long-term positions and maintain strong governmental relationships in countries in which the Company may seek new entry.

INSURANCE DOES NOT COVER ALL RISKS

Exploration for and production of oil and natural gas can be hazardous, involving unforeseen occurrences such as blowouts, cratering, fires and loss of well control, which can result in damage to or destruction of wells or production facilities, injury to persons, loss of life, or damage to property or the environment. The Company maintains insurance against certain losses or liabilities arising from its operations in accordance with customary industry practices and in amounts that management believes to be prudent; however, insurance is not available to the Company against all operational risks.

HEDGING MAY PREVENT THE COMPANY FROM FULLY BENEFITING FROM PRICE INCREASES

To the extent that the Company engages in hedging activities, it may be prevented from realizing the benefits of price increases above the levels of the hedges. In addition, the Company is subject to basis risk when it engages in hedging transactions, particularly where transportation constraints restrict the Company's ability to deliver oil and gas volumes at the delivery point to which the hedging transaction is indexed.

RISKS ARISING FROM THE FAILURE TO FULLY IDENTIFY POTENTIAL PROBLEMS RELATED TO ACQUIRED RESERVES OR TO PROPERLY ESTIMATE THOSE RESERVES

The Company from time to time acquires oil and gas properties. Although the Company performs a review of the acquired properties that it believes is consistent with industry practices, such reviews are inherently incomplete. It generally is not feasible to review in depth every individual property involved in each acquisition. Ordinarily the Company will focus its review efforts on the higher-value properties and will sample the remainder. However, even a detailed review of records and properties may not necessarily reveal existing or potential problems, nor will it permit a buyer to become sufficiently familiar with the properties to assess fully their deficiencies and potential. Inspections may not always be performed on every well, and environmental problems, such as ground water contamination, are not necessarily observable even when an inspection is undertaken. Even when problems are identified, the Company often assumes certain environmental and other risks and liabilities in connection with acquired properties. There are numerous uncertainties inherent in estimating quantities of proved oil and gas reserves and actual future production rates and associated costs with respect to acquired properties, and actual results may vary substantially from those assumed in the estimates (see above). In addition, there can be no assurance that acquisitions will not have an adverse effect upon the Company's operating results, particularly during the periods in which the operations of acquired businesses are being integrated into the Company's ongoing operations.

GENERAL ECONOMIC CONDITIONS

Virtually all of the Company's operations are subject to the risks and uncertainties of adverse changes in general economic conditions (domestically, in specific regions of the United States and Canada, and internationally), the outcome of pending and/or potential legal or regulatory proceedings, changes in environmental, tax, labor and other laws and regulations to which the Company is subject, and the condition of the capital markets utilized by the Company to finance its operations.

RISKS OF NON-U.S. OPERATIONS

The Company's non-U.S. oil and natural gas exploration, development and production activities are subject to: political and economic uncertainties, including, among others, changes, sometimes frequent or marked, in governmental energy policies or the personnel administering them; expropriation of property; cancellation or modification of contract rights; foreign exchange restrictions; currency fluctuations; risks of loss due to civil strife, acts of war, guerrilla activities and insurrection; royalty and tax increases; and other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations are conducted. These risks may be higher in the developing countries in which the Company conducts these activities. Consequently, the Company's non-U.S. exploration, development and production activities may be substantially affected by factors beyond the Company's control, any of which could materially adversely affect the Company's financial position or results of operations. Furthermore, in the event of a dispute arising from non-U.S. operations, the Company may be subject to the exclusive jurisdiction of courts outside the United States or may not be successful in subjecting non-U.S. persons to the jurisdiction of the courts in the United States, which could adversely affect the outcome of the dispute.

EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON THE COMPANY'S CASH FLOW

The Company's cash flow stream relating to certain international operations is based on the U.S. dollar equivalent of cash flows measured in foreign currencies. Australian gas production is sold under fixed-price Australian dollar contracts and over half the costs incurred are paid in Australian dollars. Revenue and disbursement transactions denominated in Australian dollars are converted to U.S. dollar equivalents based on the exchange rate on the transaction date. Reported cash flow relating to Canadian operations is based on cash flows measured in Canadian dollars converted to the U.S. dollar equivalent based on the average of the Canadian and U.S. dollar exchange rates for the period reported. Substantially all of the Company's international transactions, outside of Canada and Australia, are denominated in U.S. dollars. The Company's Polish and Australian subsidiaries have net financial assets that are denominated in a currency other than the functional reporting currency of the subsidiaries. The Company considers its current risk exposure to exchange rate movements, based on net cash flows, to be immaterial.

EMPLOYEES

On December 31, 1999, Apache had 1,429 employees.

OFFICES

Apache's principal executive offices are located at One Post Oak Central, 2000 Post Oak Boulevard, Suite 100, Houston, Texas 77056-4400. At year-end 1999, the Company maintained regional exploration and/or production offices in Tulsa, Oklahoma; Houston, Texas; Calgary, Alberta; Cairo, Egypt; Perth, Western Australia; Beijing, China; and Warsaw, Poland.

ITEM 2. PROPERTIES

OIL AND GAS EXPLORATION AND PRODUCTION PROPERTIES AND RESERVES

Acreage

The undeveloped and developed acreage including both domestic leases and international production and exploration rights that Apache held as of December 31, 1999, are as follows:

	UNDEVELOPED ACREAGE		DEVELOPED ACREAGE	
	GROSS ACRES	NET ACRES	GROSS ACRES	NET ACRES
OFFSHORE				
Louisiana	190,259	138,863	378,885	245,075
Texas	46,992	22,301	151,200	75,965
Total	237,251	161,164	530,085	321,040
MIDCONTINENT				
Arkansas	3,004	2,122	4,299	3,190
Kansas	200	93	--	--
Louisiana	8,600	5,922	38,088	26,254
Michigan	4,937	4,262	--	--
Oklahoma	148,562	54,032	477,622	185,449
Pennsylvania	--	--	796	38
Texas	60,939	39,605	132,854	70,968
Total	226,242	106,036	653,659	285,899
SOUTHERN				
Alaska	14,262	--	--	--
Colorado	13,974	12,228	10,979	10,715
Illinois	140	56	--	--
Louisiana	75,352	71,120	86,722	66,196
New Mexico	79,704	44,465	84,818	43,593
Texas	188,819	85,660	418,429	270,162
Utah	140	35	60	15
Wyoming	29,076	21,769	680	227
Total	401,467	235,333	601,688	390,908
Total United States	864,960	502,533	1,785,432	997,847
INTERNATIONAL				
Australia	3,234,060	1,664,440	445,050	259,240
Canada	785,189	474,759	604,083	421,942
China	42,678	21,384	5,911	1,448
Egypt	22,821,527	11,335,426	842,863	468,143
Ivory Coast	--	--	--	--
Poland	11,468,335	5,734,169	--	--
Total International	38,351,789	19,230,178	1,897,907	1,150,773
Total Company	39,216,749	19,732,711	3,683,339	2,148,620

Productive Oil and Gas Wells

The number of productive oil and gas wells, operated and non-operated, in which Apache had an interest as of December 31, 1999, is set forth below:

	GAS		OIL	
	GROSS	NET	GROSS	NET
Offshore	209	111	316	230
Midcontinent	1,692	571	532	141
Southern	417	230	3,518	1,895
Canada	654	468	851	562
Egypt	20	8	150	75
Australia	8	5	20	11
Total	3,000	1,393	5,387	2,914

Gross Wells Drilled

The following table sets forth the number of gross exploratory and gross development wells drilled in the last three fiscal years in which the Company participated. The number of wells drilled refers to the number of wells commenced at any time during the respective fiscal year. "Productive" wells are either producing wells or wells capable of commercial production. At December 31, 1999, the Company was participating in 27 wells in the U.S., 23 Canadian wells, seven Egyptian wells, one Australian well and one Polish well in the process of drilling.

	EXPLORATORY			DEVELOPMENTAL		
	PRODUCTIVE	DRY	TOTAL	PRODUCTIVE	DRY	TOTAL
1999						
United States	11	13	24	97	9	106
Canada	2	3	5	30	14	44
Australia	2	12	14	5	1	6
Egypt	3	2	5	38	3	41
Other International	--	5	5	2	--	2
Total	18	35	53	172	27	199
1998						
United States	20	16	36	163	34	197
Canada	17	12	29	30	7	37
Egypt	11	24	35	27	5	32
Australia	7	8	15	--	--	--
Other International	--	1	1	1	--	1
Total	55	61	116	221	46	267
1997						
United States	27	25	52	234	32	266
Canada	19	14	33	41	7	48
Egypt	7	19	26	23	4	27
Australia	3	6	9	6	1	7
Other International	1	2	3	1	--	1
Total	57	66	123	305	44	349

Net Wells Drilled

The following table sets forth, for each of the last three fiscal years, the number of net exploratory and net developmental wells drilled by Apache:

	EXPLORATORY			DEVELOPMENTAL		
	PRODUCTIVE	DRY	TOTAL	PRODUCTIVE	DRY	TOTAL
1999						
United States	4.1	8.2	12.3	59.1	4.8	63.9
Canada	1.3	2.3	3.6	26.2	12.1	38.3
Australia	2.0	5.4	7.4	2.6	.2	2.8
Egypt	1.6	1.2	2.8	15.6	1.2	16.8
Other International	--	1.6	1.6	.5	--	.5
Total	9.0	18.7	27.7	104.0	18.3	122.3
1998						
United States	9.9	11.1	21.0	64.0	18.8	82.8
Canada	16.2	11.0	27.2	28.3	6.1	34.4
Egypt	5.6	13.5	19.1	11.9	2.8	14.7
Australia	3.5	3.4	6.9	--	--	--
Other International	--	.2	.2	.2	--	.2
Total	35.2	39.2	74.4	104.4	27.7	132.1
1997						
United States	11.5	11.9	23.4	107.5	19.0	126.5
Canada	14.5	10.1	24.6	29.0	6.0	35.0
Egypt	3.7	12.3	16.0	14.4	2.0	16.4
Australia	1.0	1.0	2.0	1.8	.2	2.0
Other International	.5	1.4	1.9	.5	--	.5
Total	31.2	36.7	67.9	153.2	27.2	180.4

Production and Pricing Data

The following table describes, for each of the last three fiscal years, oil, natural gas liquids (NGL) and gas production for the Company, average production costs (excluding severance taxes) and average sales prices.

	PRODUCTION			AVERAGE	AVERAGE SALES PRICE		
YEAR ENDED DECEMBER 31,	OIL (MBBLS)	NGL (MBBLS)	GAS (MMCF)	PRODUCTION COST PER BOE	OIL (PER BBL)	NGL (PER BBL)	GAS (PER MCF)
1999	33,223	1,437	239,484	$2.56	$18.43	$9.42	$2.16
1998	26,611	1,052	215,389	2.88	12.66	7.94	1.92
1997	24,291	843	222,237	3.07	19.20	14.08	2.28

Estimated Reserves and Reserve Value Information

The following information relating to estimated reserve quantities, reserve values and discounted future net revenues is derived from, and qualified in its entirety by reference to, the more complete reserve and revenue information and assumptions included in the Company's Supplemental Oil and Gas Disclosures under Item 8 below. The Company's estimates of proved reserve quantities of its U.S., Canadian and international properties have been subject to review by Ryder Scott Company, L.P. Petroleum Consultants. There are numerous uncertainties inherent in estimating quantities of proved reserves and projecting future rates of production and timing of development expenditures. The following reserve information represents estimates only and should not be construed as being exact.

The following table sets forth the Company's estimated proved developed and undeveloped reserves as of December 31, 1999, 1998 and 1997:

	NATURAL GAS (BCF)	OIL, NGL AND CONDENSATE (MMBBLS)
1999		
Developed	1,873.7	302.0
Undeveloped	477.9	113.2
Total	2,351.6	415.2
1998		
Developed	1,450.1	178.0
Undeveloped	722.1	73.0
Total	2,172.2	251.0
1997		
Developed	1,554.3	203.1
Undeveloped	317.5	70.7
Total	1,871.8	273.8

The following table sets forth the estimated future value of all the Company's proved reserves, and proved developed reserves, as of December 31, 1999, 1998 and 1997. Future reserve values are based on year-end prices except in those instances where the sale of gas and oil is covered by contract terms providing for determinable escalations. Operating costs, production and ad valorem taxes, and future development costs are based on current costs with no escalations.

	ESTIMATED FUTURE NET REVENUES		PRESENT VALUE OF ESTIMATED FUTURE NET REVENUES BEFORE INCOME TAXES (DISCOUNTED AT 10 PERCENT)	
DECEMBER 31,	PROVED	PROVED DEVELOPED	PROVED	PROVED DEVELOPED
	(IN THOUSANDS)			
1999	$10,392,116	$8,638,015	$6,068,013	$4,890,340
1998	3,994,612	2,793,698	2,395,888	1,764,887
1997	5,347,892	4,301,768	3,272,618	2,728,747

At December 31, 1999, estimated future net revenues expected to be received from all the Company's proved reserves and proved developed reserves were as follows:

DECEMBER 31,	PROVED	PROVED DEVELOPED
	(IN THOUSANDS)	
2000	$ 1,128,516	$1,178,935
2001	1,136,113	1,081,851
2002	1,077,281	902,930
Thereafter	7,050,206	5,474,299
Total	$10,392,116	$8,638,015

The Company believes that no major discovery or other favorable or adverse event has occurred since December 31, 1999, which would cause a significant change in the estimated proved reserves reported herein. The estimates above are based on year-end pricing in accordance with the SEC guidelines and do not reflect current prices. Since January 1, 2000, no oil or gas reserve information has been filed with, or included in any report to, any U.S. authority or agency other than the SEC and the Energy Information Administration

(EIA). The basis of reporting reserves to the EIA for the Company's reserves is identical to that set forth in the foregoing table.

Title to Interests

The Company believes that its title to the various interests set forth above is satisfactory and consistent with the standards generally accepted in the oil and gas industry, subject only to immaterial exceptions which do not detract substantially from the value of the interests or materially interfere with their use in the Company's operations. The interests owned by the Company may be subject to one or more royalty, overriding royalty and other outstanding interests customary in the industry. The interests may additionally be subject to obligations or duties under applicable laws, ordinances, rules, regulations and orders of arbitral or governmental authorities. In addition, the interests may be subject to burdens such as net profits interests, liens incident to operating agreements and current taxes, development obligations under oil and gas leases and other encumbrances, easements and restrictions, none of which detract substantially from the value of the interests or materially interfere with their use in the Company's operations.

ITEM 3. LEGAL PROCEEDINGS

The information set forth under the caption "Litigation" in Note 10 to the Company's financial statements under Item 8 below is incorporated herein by reference.

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

No matters were submitted for a vote of security holders during the fourth quarter of 1999.

PART II

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

MATTERS

Apache's common stock, par value $1.25 per share, is traded on the New York Stock Exchange and the Chicago Stock Exchange under the symbol APA. The table below provides certain information regarding Apache common stock for 1999 and 1998. Prices shown are from the New York Stock Exchange Composite Transactions Reporting System.

	1999			1998		
	PRICE RANGE			PRICE RANGE		
	HIGH	LOW	DIVIDENDS PER SHARE	HIGH	LOW	DIVIDENDS PER SHARE
First Quarter	$28 9/16	$17 5/8	$.07	$38 3/4	$31 3/16	$.07
Second Quarter	39 7/8	25 1/16	.07	38 1/8	30 3/8	.07
Third Quarter	49 15/16	37	.07	32 3/8	22 1/2	.07
Fourth Quarter	44	30	.07	29 5/16	21 3/8	.07

The closing price per share of Apache common stock, as reported on the New York Stock Exchange Composite Transactions Reporting System for February 29, 2000, was $36 1/2. At December 31, 1999, there were 113,996,464 shares of Apache common stock outstanding, held by approximately 10,000 shareholders of record and 45,000 beneficial owners.

The Company has paid cash dividends on its common stock for 132 consecutive quarters through December 31, 1999, and expects to continue the payment of dividends at current levels. During 2000, the Company will implement a change in the payment dates for the dividends on its common stock from a quarterly basis to an annual basis. When, and if, declared by the Company's board of directors, future dividend payments will depend upon the Company's level of earnings, financial requirements and other relevant factors.

In December 1995, the Company declared a dividend of one right (a Right) for each share of Apache common stock outstanding on January 31, 1996. Each Right entitles the registered holder to purchase from the Company one ten-thousandth (1/10,000) of a share of Series A Preferred Stock at a price of $100 per one ten-thousandth of a share, subject to adjustment. The Rights are exercisable 10 calendar days following a public announcement that certain persons or groups have acquired 20 percent or more of the outstanding shares of Apache common stock or 10 business days following commencement of an offer for 30 percent or more of the outstanding shares of Apache common stock. In addition, if a person or group becomes the beneficial owner of 20 percent or more of Apache's outstanding common stock (flip in event), each Right will become exercisable for shares of Apache's common stock at 50 percent of the then market price of the common stock. If a 20 percent shareholder of Apache acquires Apache, by merger or otherwise, in a transaction where Apache does not survive or in which Apache's common stock is changed or exchanged (flip over event), the Rights become exercisable for shares of the common stock of the company acquiring Apache at 50 percent of the then market price for Apache common stock. Any Rights that are or were beneficially owned by a person who has acquired 20 percent or more of the outstanding shares of Apache common stock and who engages in certain transactions or realizes the benefits of certain transactions with the Company will become void. The Company may redeem the Rights at $.01 per Right at any time until 10 business days after public announcement of a flip in event. The Rights will expire on January 31, 2006, unless earlier redeemed by the Company. Unless the Rights have been previously redeemed, all shares of Apache common stock issued by the Company after January 31, 1996 will include Rights. Unless and until the Rights become exercisable, they will be transferred with and only with the shares of Apache common stock.

In August 1998, the Company issued 100,000 shares of 5.68 percent Series B Cumulative Preferred Stock (the Series B Preferred Stock) in the form of one million depositary shares, each representing one-tenth (1/10) of a share of Series B Preferred Stock. Neither the shares of Series B Preferred Stock nor the depositary shares are traded on any stock exchange. The shares of Series B Preferred Stock are not convertible into common equity. Holders of the depositary shares are entitled to receive cumulative cash dividends at an annual rate of $5.68 per depositary share when, and if, declared by the Company's board of directors.

In May 1999, the Company issued 14,950,000 shares of its common stock and 140,000 shares of 6.5 percent Automatically Convertible Equity Securities, Conversion Preferred Stock, Series C (Series C Preferred Stock) in the form of seven million depositary shares each representing 1/50th of a share of Series C Preferred Stock. The depositary shares are traded on the New York Stock Exchange and the Chicago Stock Exchange. The Series C Preferred Stock is not subject to a sinking fund or mandatory redemption. On May 15, 2002, each depositary share will automatically convert, subject to adjustments, into not more than one share and not less than 0.8197 of a share of the Company's common stock, depending on the market price of the common stock at that time. At any time prior to May 15, 2002, holders of the depositary shares may elect to convert each of their shares, subject to adjustments, into not less than 0.8197 of a share of the Company's common stock (5,737,900 common shares). Holders of the depositary shares are entitled to receive cumulative cash dividends at an annual rate of $2.015 per depositary share when, and if, declared by the Company's board of directors.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data of the Company and its consolidated subsidiaries for each of the years in the five-year period ended December 31, 1999, which information has been derived from the Company's audited financial statements. This information should be read in connection with, and is qualified in its entirety by, the more detailed information in the Company's financial statements under Item 8 below.

	AS OF OR FOR THE YEAR ENDED DECEMBER 31,				
	1999(1)	1998(2)	1997(3)	1996(4)	1995(5)
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
INCOME STATEMENT DATA					
Total revenues	$1,300,505	$ 875,715	$1,176,273	$ 977,151	$ 750,702
Net income (loss)	200,855	(129,387)	154,896	121,427	20,207
Income (loss) attributable to common stock	186,406	(131,391)	154,896	121,427	20,207
Net income (loss) per common share:					
Basic	1.73	(1.34)	1.71	1.42	.28
Diluted	1.72	(1.34)	1.65	1.38	.28
Cash dividends per common share	.28	.28	.28	.28	.28
BALANCE SHEET DATA					
Working capital (deficit)	$ 6,290	$ (78,804)	$ 4,546	$ (41,501)	$ (22,013)
Total assets	5,502,543	3,996,062	4,138,633	3,432,430	2,681,450
Long-term debt	1,879,650	1,343,258	1,501,380	1,235,706	1,072,076
Shareholders' equity	2,669,427	1,801,833	1,729,177	1,518,516	1,091,805
Common shares outstanding at end of year	113,996	97,769	93,305	90,059	77,379

For a discussion of significant acquisitions, reference is made to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and to Note 2 to the Company's consolidated financial statements under Item 8 below.

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(1) Includes the results of the acquisitions of certain oil and gas properties from Petsec, Shell Offshore, British-Borneo and Shell Canada after February 1, 1999, May 18, 1999, June 18, 1999 and November 30, 1999, respectively.

(2) Includes the results of the acquisitions of certain subsidiaries and oil and gas properties from Novus Petroleum Limited (Novus) after December 18, 1998. Also includes a $243.2 million pre-tax ($158.1 million net of tax) non-cash write-down of the carrying value of the Company's U.S. proved oil and gas properties due to ceiling test limitations.

(3) Includes financial data after November 20, 1997, relating to the acquisition from Mobil Exploration & Producing Australia Pty Ltd (Mobil) of three companies owning interests in certain oil and gas properties and production facilities offshore Western Australia (the Ampolex Group Transaction).

(4) Includes financial data after May 20, 1996, for Apache PHN Company, Inc. (Phoenix, formerly known as The Phoenix Resource Companies, Inc.).

(5) Includes the results of the acquisitions of certain oil and gas properties from Texaco Exploration and Production, Inc. and Aquila Energy Resources Corporation after March 1, 1995 and September 1995, respectively, and the sale of a substantial portion of the Company's Rocky Mountain properties in September 1995.

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

OVERVIEW

Apache's considerable progress in 1999 and favorable outlook for continued growth were not fully reflected in the Company's stock price at year-end. While Wall Street turned its attention to technology stocks, Apache recorded its best year ever, paving the way for its 23rd consecutive year of production growth in 2000.

1999 performance highlights include record:

- Production of 204.3 thousand barrels of oil equivalent per day, up 17 percent.

- Proved reserves of 807.2 MMboe, up 32 percent.

- Net cash provided by operating activities of $638.2 million, up 35 percent.

- Net income attributable to common stock of $186.4 million, up $31.5 million over our 1997 record.

More important than these milestones is the position they have left Apache for continued progress ahead.

- $1.8 billion of capital expenditures brought into our fold quality assets with low operating costs and high margins. The two acquisitions from Shell coupled with first production from major development projects in Egypt and Australia contributed to a $.32 per boe decline in Apache's lease operating expense per equivalent barrel produced.

- Record 1999 earnings coupled with $654.8 million of equity offerings reduced Apache's debt to 41.4 percent of capitalization, among the strongest in our sector and capable of funding substantial growth opportunities.

- Rising production will generate substantial cash flow. While prices are always a wildcard, should they approximate levels indicated by the current New York Mercantile Exchange, Apache has the potential to achieve $1 billion of cash flow in 2000, adding fuel with which to act on opportunities that many of Apache's competitors are unable to capture.

In short, despite only partial recognition in our stock price, Apache's progress in 1999 puts the company in its strongest financial position ever to carry out its business strategy and continue to build lasting shareholder value.

Apache's results of operations and financial position for 1999 were also significantly impacted by the following factors:

Commodity Prices -- Apache's average realized oil price increased $5.77 per barrel from $12.66 per barrel in 1998 to $18.43 per barrel in 1999, increasing revenues by $153.6 million. The average realized price for natural gas increased $.24 per Mcf from $1.92 per Mcf in 1998 to $2.16 per Mcf in 1999, positively impacting revenues by $50.7 million.

Operations -- Oil production increased 25 percent in 1999 compared to the prior year. The increase was primarily due to the acquisition of certain blocks in the Gulf of Mexico from Shell Offshore, included since mid-May of 1999, the full-period impact of the acquisition of certain oil and gas interests in the Carnarvon Basin, offshore Western Australia, from Novus in November 1998 and production from Australia's Stag field which began in May 1998. The increase in oil production positively impacted revenues by $121.9 million. Gas production increased 11 percent, which increased revenues by $52.0 million. As with oil, gas increased in the U.S. due to the Shell Offshore acquisition. In Egypt, the Western Desert Gas Pipeline in the Khalda concession was completed and first sales commenced in August 1999.

RESULTS OF OPERATIONS

Apache reported 1999 income attributable to common stock of $186.4 million, up from a loss attributable to common stock of $131.4 million in 1998. A significant increase in oil and gas production revenues was partially offset by higher recurring depreciation, depletion and amortization (DD&A) expense, operating costs, preferred stock dividends, and administrative, selling and other (G&A) expense. Basic net income (loss) per common share was $1.73 for 1999, as compared to $(1.34) in 1998. A loss attributable to common stock of $131.4 million was reported in 1998 as opposed to income attributable to common stock of $154.9 million in 1997. The 1998 loss resulted from a full-cost ceiling write-down at year end. Results for 1998 were further hampered by sharp declines in oil and gas prices. Basic net income (loss) per common share was $(1.34) for 1998, as compared to basic net income per share of $1.71 in 1997.

Oil and gas production revenues increased 50 percent in 1999 to $1.1 billion as compared to $759.0 million in 1998. The increase resulted from a 46 percent increase in the average realized oil price, a 13 percent increase in the average realized natural gas price, a 25 percent increase in oil production and an 11 percent increase in natural gas production. Crude oil, including natural gas liquids, contributed 55 percent and natural gas contributed 45 percent of total oil and gas production revenues during 1999. Oil and gas production revenues decreased 23 percent in 1998 to $759.0 million as compared to $983.8 million in 1997. The decrease resulted from a 34 percent decrease in the average realized oil price, a 16 percent decrease in the average realized price for natural gas and a three percent decrease in gas production. Crude oil, including natural gas liquids, contributed 45 percent and natural gas contributed 55 percent of oil and gas production revenues during 1998.

The table below presents, for the years indicated, the oil and gas production revenues, production and average prices received from sales of natural gas, oil and natural gas liquids.

	FOR THE YEAR ENDED DECEMBER 31, 1999	1998	1997
Revenues (in thousands):			
Natural gas	$ 516,503	$413,870	$505,604
Oil	612,298	336,813	466,291
Natural gas liquids	13,535	8,355	11,878
Total	$1,142,336	$759,038	$983,773
Natural Gas Volume -- Mcf per day:			
United States	461,444	432,059	492,594
Canada	99,791	105,871	89,699
Egypt	15,916	1,554	563
Australia	76,220	50,624	26,016
Ivory Coast	2,749	--	--
Total	656,120	590,108	608,872
Average Natural Gas Price -- Per Mcf:			
United States	$ 2.31	$ 2.11	$ 2.47
Canada	1.73	1.36	1.33
Egypt	3.45	1.91	2.94
Australia	1.51	1.51	1.78
Ivory Coast	1.72	--	--
Total	2.16	1.92	2.28
Oil Volume -- Barrels per day:			
United States	45,556	34,067	40,638
Canada	3,053	2,090	2,120
Egypt	31,751	27,911	19,372
Australia	10,624	8,838	4,417
Ivory Coast	37	--	--
Total	91,021	72,906	66,547
Average Oil Price -- Per barrel:			
United States	$ 17.94	$ 12.63	$ 19.31
Canada	19.35	12.55	19.27
Egypt	18.63	12.57	18.65
Australia	19.70	13.07	20.51
Ivory Coast	15.68	--	--
Total	18.43	12.66	19.20
NGL Volume -- Barrels per day:			
United States	3,308	2,267	1,684
Canada	630	616	627
Total	3,938	2,883	2,311
Average NGL Price -- Per barrel:			
United States	$ 9.37	$ 8.38	$ 14.50
Canada	9.64	6.32	12.98
Total	9.42	7.94	14.08

The Company's future financial condition and results of operations will depend upon prices received for its oil and natural gas production and the costs of finding, acquiring, developing and producing reserves. A substantial portion of the Company's production is sold under market-sensitive contracts. Prices for oil and natural gas are subject to fluctuations in response to changes in supply, market uncertainty and a variety of other factors beyond the Company's control. These factors include worldwide political instability (especially in the Middle East), the foreign supply of oil and natural gas, the price of foreign imports, the level of consumer demand, and the price and availability of alternative fuels.

Natural gas revenues increased by 25 percent from 1998 to 1999 as a result of increased production volumes and realized prices. The average realized gas price increased 13 percent in 1999 positively affecting revenues by $50.7 million. U.S. natural gas production, which comprised 70 percent of the Company's worldwide gas production, sold at an average price of $2.31 per Mcf, nine percent higher than in 1998, positively impacting natural gas sales by $32.4 million. The Company periodically engages in hedging activities, including fixed-price physical contracts and financial contracts. Gains under long-term fixed-price physical contracts increased the gas price by $.02 per Mcf in 1999 while realized losses from open hedging positions negatively impacted the gas price by $.01 per Mcf in 1999.

Natural gas production increased 66 million cubic feet per day (MMcf/d), or 11 percent, on a worldwide basis, favorably impacting revenue by $52.0 million in 1999. In the United States, gas production increased 29.4 MMcf/d due to acquisition activities, primarily the Shell Offshore acquisition in 1999. Development activities and the impact of producing property acquisitions during late 1998 increased natural gas production in Australia by 25.6 MMcf/d. Egyptian gas production increased ten fold in 1999 as a result of the completion of the northern portion of the Western Desert Gas Pipeline in the Khalda concession, with first sales commencing in August.

Natural gas revenues decreased by 18 percent from 1997 to 1998 due to lower natural gas prices and production. The average realized gas price received in 1998 was $1.92 per Mcf, 16 percent lower than 1997, negatively affecting revenue by $78.6 million. The Company periodically engages in hedging activities, including fixed-price physical contracts and financial contracts. Apache realized gains from open hedging positions favorably impacting the gas price by $.01 per Mcf in 1998. Gains under long-term fixed-price physical contracts increased the gas price by $.05 per Mcf in 1998. Prices declined in the United States due to unfavorable market conditions. Natural gas prices in Australia declined 15 percent from 1997 resulting from the devaluation of the Australian dollar.

Natural gas production for the United States decreased 12 percent from 1997 to 1998 due to the impact of property sales in the Southern and Midcontinent regions, tropical storms in the Gulf of Mexico and natural depletion. In Australia, natural gas production increased 95 percent driven by a full year of incremental production from properties acquired in the year-end 1997 Ampolex Group Transaction. The 18 percent uplift in Canadian production resulted from development activity and Alberta royalty recoupments received for 1998. Alberta allows reduction in royalty for costs to build processing and transportation facilities.

Crude oil revenues totaled $612.3 million in 1999, an 82 percent increase from 1998 due to higher average realized oil prices and production increases. On a worldwide basis, average oil prices increased 46 percent to $18.43 per barrel positively impacting oil sales by $153.6 million. Realized losses from open hedging positions negatively impacted the oil price by $.16 per barrel in 1999. Oil production increased 18,115 barrels per day, or 25 percent, in 1999 due primarily to increases in the United States. Domestic oil production increased 11,489 barrels per day, or 34 percent, primarily due to the Shell Offshore acquisition. Australian oil production increased 1,786 barrels per day, or 20 percent, over 1998 with additional full-year production from the Stag field. Egyptian oil production increased 3,840 barrels per day, or 14 percent, as a result of the price-driven dynamics of certain production sharing contracts and development activity.

Crude oil revenues totaled $336.8 million in 1998, a 28 percent decrease from 1997 due to lower average realized oil prices, which were partially offset by production increases. On a worldwide basis, average oil prices decreased 34 percent to $12.66 per barrel negatively impacting oil revenues by $158.9 million. Oil production increased 6,359 barrels per day (approximately 10 percent), in 1998 due to increases in Egypt and Australia. Australian oil production increased 4,421 barrels per day over 1997 with additional production from the Ampolex Group Transaction and initial sales from the Stag field. Egyptian oil production increased 8,539 barrels per day, or 44 percent, as a result of the price-driven dynamics of certain production sharing contracts and to a lesser extent, drilling and development activity. U.S. oil production decreased by 6,571 barrels per day, or 16 percent, primarily due to marginal property sales in the first half of 1998 and natural reservoir depletion of mature fields.

Natural gas liquids revenues in 1999 increased 62 percent from 1998. Natural gas liquids production increased 1,055 barrels per day, or 37 percent and natural gas liquids prices increased by $1.48 per barrel, or 19 percent, due to improved market conditions. Natural gas liquids revenues decreased 30 percent in 1998. Natural gas liquids production increased 572 barrels per day, or 25 percent, while natural gas liquids prices declined by $6.14 per barrel, or 44 percent, due to deteriorating market conditions.

Other Revenues and Operating Expenses

Gas gathering, processing and marketing revenues increased 33 percent to $155.6 million in 1999 from 1998. Higher gas prices in 1999 contributed to the increase. Gas gathering, processing and marketing costs increased by 34 percent to $153.4 million resulting in a slight decrease to 1999 margins. During 1998, gas gathering, processing and marketing revenues decreased 40 percent to $117.4 million. Slightly higher margins were realized in 1998 as compared to 1997.

Recurring DD&A expense increased to $442.8 million in 1999 from $382.8 million in 1998. On an equivalent barrel basis, recurring full cost DD&A expense decreased $.09 per boe, from $5.66 per boe in 1998 to $5.57 per boe in 1999. The decrease in the overall DD&A rate was the result of substantial increases in United States production volumes during 1999 and the ceiling test write-down in 1998, which lowered the carrying amount of those properties being depleted. The Company's recurring DD&A expense increased to $382.8 million in 1998 from $381.4 million in 1997. On an equivalent barrel basis, recurring full cost DD&A expense decreased $.11 per boe, from $5.77 per boe in 1997 to $5.66 per boe in 1998.

Apache limits, on a country-by-country basis, the capitalized cost of oil and gas properties, net of accumulated DD&A and deferred income taxes, to estimated future net cash flows from proved oil and gas reserves discounted at 10 percent, net of related tax effects, plus the lower of cost or fair value of unproved properties included in the costs being amortized. As a result of low oil and gas prices in the United States at December 31, 1998, Apache's capitalized costs of oil and gas properties exceeded the ceiling limitation and the Company reported a $243.2 million pre-tax ($158.1 million net of tax) non-cash write-down as additional DD&A expense. No additional DD&A expense was recorded during 1999 or 1997. Write-downs required by these rules do not impact cash flow from operating activities.

Apache's operating costs increased six percent in 1999 to $223.6 million from $211.6 in 1998. Lease operating expense (LOE), excluding severance taxes, increased from $182.9 million in 1998 to $191.2 million in 1999. On an equivalent barrel basis, LOE for 1999 averaged $2.56 per boe, a $.32 decline from $2.88 per boe in 1998. Domestic per unit costs were significantly reduced due to lower Southern region repairs, maintenance, power and fuel costs resulting from the sale of marginal properties partially offset by increases in the Offshore region due to workover costs associated with acquired properties located in the Gulf of Mexico from Petsec and Shell Offshore. Operating costs decreased nine percent to $211.6 million in 1998 from $231.4 million in 1997. LOE, excluding severance taxes, decreased from $190.8 million in 1997 to $182.9 million in 1998. On an equivalent barrel basis, LOE for 1998 averaged $2.88 per boe, a $.19 decline from $3.07 per boe in 1997. Domestic per unit costs were significantly reduced from the sale of marginal North American properties, and by lower Southern region repairs and maintenance costs.

G&A expense increased $13.2 million, or 32 percent, from 1998 to 1999. The Company's overall infrastructure was enlarged to properly handle increased responsibilities associated with 1999 North American producing property acquisitions. On an equivalent barrel basis, G&A expense increased to $.72 per boe in 1999 compared to $.64 per boe in 1998. G&A expense increased $2.5 million, or seven percent from 1997 to 1998. On an equivalent barrel basis, G&A expense increased to $.64 per boe in 1998 compared to $.62 per boe in 1997. The increase in G&A expense was primarily the result of employee separation payments associated with the sale of marginal North American properties.

Net financing costs for 1999 increased $11.7 million, or 17 percent, from 1998 primarily due to higher interest expense and lower interest income, partially offset by higher capitalized interest. Gross interest expense increased $13.3 million resulting from higher average outstanding debt in 1999. The weighted average interest rate on outstanding debt increased to 7.5 percent at December 31, 1999 from 7.2 percent at December 31, 1998. The increase in capitalized interest is associated with Egyptian pipeline projects under construction. The decrease in interest income was due to a lower average cash balance during 1999. Net financing costs for 1998 decreased $1.8 million, or two percent, from 1997 primarily due to higher capitalized interest. Gross interest expense increased $14.6 million due to a slightly higher interest rate on average outstanding debt in 1998 compared to 1997 and higher imputed interest on advances from gas purchasers. This was offset by an increase in capitalized interest, interest income and lower amortization of deferred loan costs. The Company's weighted average interest rate on outstanding debt was 7.2 percent at December 31, 1998 compared to 7.1 percent at December 31, 1997.

MARKET RISK

Commodity Risk

The Company's major market risk exposure is in the pricing applicable to its oil and gas production. Realized pricing is primarily driven by the prevailing worldwide price for crude oil and spot prices applicable to its United States and Canadian natural gas production. Historically, prices received for oil and gas production have been volatile and unpredictable and price volatility is expected to continue. Monthly oil price realizations ranged from a low of $10.09 per barrel to a high of $24.11 per barrel during 1999. Gas price realizations ranged from a monthly low of $1.60 per Mcf to a monthly high of $2.74 per Mcf during the same period.

The Company periodically enters into hedging activities on a portion of its projected oil and natural gas production through a variety of financial and physical arrangements intended to support oil and natural gas prices at targeted levels and to manage its exposure to oil and gas price fluctuations. Apache may use futures contracts, swaps, options and fixed-price physical contracts to hedge its commodity prices. Realized gains or losses from the Company's price risk management activities are recognized in oil and gas production revenues when the associated production occurs. Apache does not hold or issue derivative instruments for trading purposes. In 1999, Apache recognized a net loss of $3.1 million from hedging activities that decreased oil and gas production revenues. The net loss in 1999 includes $6.7 million in derivatives losses and $3.6 million in gains from fixed-price physical gas contracts. Gains or losses on derivative contracts are expected to be offset by sales at the spot market price or to preserve the margin on existing physical gas contracts.

At December 31,1999, the Company had open natural gas price swap positions with a positive fair value of $11.1 million. A 10 percent increase in natural gas prices would increase the fair value by $19.7 million. A 10 percent decrease in prices would decrease the fair value by $19.7 million. The Company also had open oil price swap positions at December 31, 1999 with a negative fair value of $(9.4) million. A 10 percent increase in oil prices would decrease the fair value by $18.3 million. A 10 percent decrease in oil prices would increase the fair value by $18.3 million. Discount rates used in arriving at fair values range from 6.5 percent for 2000 to 7.3 percent for 2008.

At December 31, 1999, the Company also had natural gas commodity collars with a fair value of $.8 million and oil commodity collars with a fair value of $(4.9) million. A 10 percent increase in oil and gas prices would change the fair values of the gas collars and the oil collars by $(.9) million and $(5.2) million, respectively. A 10 percent decrease in oil and gas prices would change the fair values of the gas collars and the oil collars by $1.6 million and $3.9 million, respectively. The model used to arrive at the fair values for the commodity collars is based on the Black commodity pricing model. Changes in fair value, assuming 10 percent price changes, assume non-constant volatility with volatility based on prevailing market parameters at December 31,1999.

Notional volumes associated with the Company's derivative contracts are shown in Note 9 to the Company's consolidated financial statements.

Interest Rate Risk

The Company considers its interest rate risk exposure to be minimal as a result of fixing interest rates on approximately 83 percent of the Company's debt. Total debt at December 31, 1999, included $318.7 million of floating-rate debt. As a result, Apache's annual interest costs in 2000 will fluctuate based on short-term interest rates on approximately 17 percent of its total debt outstanding at December 31, 1999. The impact on annual cash flow of a 10 percent change in the floating rate (approximately 69 basis points) would be approximately $2.2 million. The Company did not have any open derivative contracts relating to interest rates at December 31, 1999.

Foreign Currency Risk

The Company's cash flow stream relating to certain international operations is based on the U.S. dollar equivalent of cash flows measured in foreign currencies. Australian gas production is sold under fixed-price Australian dollar contracts and over half the costs incurred are paid in Australian dollars. Revenue and disbursement transactions denominated in Australian dollars are converted to U.S. dollar equivalents based on the exchange rate on the transaction date. Reported cash flow relating to Canadian operations is based on cash flows measured in Canadian dollars converted to the U.S. dollar equivalent based on the average of the Canadian and U.S. dollar exchange rates for the period reported. Substantially all of the Company's international transactions, outside of Canada and Australia, are denominated in U.S. dollars.

The Company's Polish and Australian subsidiaries have net financial assets that are denominated in a currency other than the functional reporting currency of the subsidiaries. A decrease in value of 10 percent in the Australian dollar and Polish zloty relative to the U.S. dollar from the year-end exchange rates would result in a foreign currency loss of approximately $.7 million, based on December 31, 1999 amounts. The Company considers its current risk exposure to exchange rate movements, based on net cash flows, to be immaterial. The Company did not have any open derivative contracts relating to foreign currencies at December 31, 1999.

CASH FLOW, LIQUIDITY AND CAPITAL RESOURCES

Capital Commitments

Apache's primary needs for cash are for exploration, development and acquisition of oil and gas properties, repayment of principal and interest on outstanding debt, payment of dividends, and capital obligations for affiliated ventures. The Company funds its exploration and development activities primarily through internally generated cash flows. Apache budgets capital expenditures based upon projected cash flows. The Company routinely adjusts its capital expenditures in response to changes in oil and natural gas prices and cash flow. The Company cannot accurately predict future oil and gas prices.

Capital Expenditures -- Apache's oil and gas capital expenditures over the last three years are summarized below:

	1999	1998	1997
		(IN THOUSANDS)	
Exploration and Development:			
United States	$ 217,476	$222,750	$359,272
Canada	45,691	69,757	56,263
Egypt	59,808	105,431	139,938
Australia	60,976	80,099	68,563
Ivory Coast	2,553	23,527	556
Other International	18,835	39,856	24,335
	405,339	541,420	648,927
Capitalized Interest	45,722	49,279	36,493
Total	$ 451,061	$590,699	$685,420
Acquisitions of Oil and Gas Properties	$1,391,206	$ 58,402	$225,934

Expenditures for exploration and development totaled $405.3 million in 1999 compared to $541.4 million in 1998. Apache's drilling program in 1999 added 64.1 MMboe of proved reserves (including revisions) and replaced 86 percent of production. In the United States, Apache completed 108 gross wells as producers out of 130 gross wells drilled during the year, compared with 183 gross producers out of 233 gross wells drilled in 1998. In Canada, Apache completed 32 gross wells as producers out of 49 gross wells drilled during the year, compared with 47 gross producers out of 66 gross wells drilled in 1998.

Internationally, the Company completed 50 gross producers out of 73 gross wells drilled in 1999, compared to 46 gross producers out of 84 gross wells in 1998. Successful international wells drilled in 1999 included 41 in Egypt and seven in Australia.

The total capital expenditures budget for 2000 is $597.5 million, including $384.9 million for North America. Estimated North American exploration and development expenditures include $56.4 million in the Southern region, $67.1 million in the Midcontinent region, $151.5 million in the Offshore region and $109.9 million in Canada. The Company has estimated its other international exploration and development expenditures in 2000, exclusive of facilities, to total approximately $212.6 million. Capital expenditures will be reviewed and possibly adjusted throughout the year in light of changing industry conditions.

On February 1, 1999, the Company acquired oil and gas properties located in the Gulf of Mexico from Petsec for an adjusted purchase price of $67.7 million. The Petsec transaction included estimated proved reserves of approximately 10.2 MMboe as of the acquisition date.

On May 18, 1999, Apache acquired from Shell Offshore its interest in 22 producing fields and 16 undeveloped blocks located in the Gulf of Mexico. The Shell Offshore acquisition also included certain production-related assets and proprietary 2D and 3D seismic data covering approximately 1,000 blocks in the Gulf of Mexico. The purchase price was $687.7 million in cash and one million shares of Apache common stock (valued at $28.125 per share). The Shell Offshore acquisition included approximately 123.2 MMboe of proved reserves as of the acquisition date.

On June 18, 1999, the Company acquired a 10 percent interest in the East Spar Joint Venture and an 8.4 percent interest in the Harriet Joint Venture, both located in the Carnarvon Basin (offshore Western Australia), from British-Borneo in exchange for $83.6 million cash and working interests in 11 leases in the Gulf of Mexico. The British-Borneo transaction included approximately 16.8 MMboe of proved reserves as of the acquisition date.

On November 30, 1999, Apache acquired from Shell Canada producing properties and other assets for C$761 million (US$517.8 million). The producing properties consist of 150,400 net acres and comprise 20 fields with an average working interest of 55 percent and proved reserves of 87.2 MMboe as of the acquisition date. Apache also acquired 294,294 net acres of undeveloped leaseholdings, 100 percent interest in a gas processing plant with a potential throughput capacity of 160 million cubic feet (MMcf) per day, and 52,700 square miles of 2D seismic and 884 square miles of 3D seismic.

In 1999, the Company also completed tactical regional acquisitions for cash consideration totaling $17.7 million. These acquisitions added approximately 8.8 MMboe to the Company's proved reserves.

In January 2000, Apache completed the acquisition of producing properties in Western Oklahoma and the Texas Panhandle, formerly owned by a subsidiary of Repsol YPF, for approximately $119 million, plus assumed liabilities of approximately $30 million. The acquisition included estimated proved reserves of 206 Bcfe as of the acquisition date.

In November 1998, the Company entered into agreements to acquire certain oil and gas interests and companies holding oil and gas interests in the Carnarvon Basin, offshore Western Australia, from subsidiaries of Novus for approximately $55 million. The interests have proved reserves of approximately
5.8 MMboe and daily production of 2,400 barrels of oil equivalent. They are within the Apache-operated Harriet Joint Venture (which includes production, processing and pipeline infrastructure associated with the Varanus Island hub), the Airlie Joint Venture (in which the Company held a prior interest and became operator) and three other

exploration permit areas. The transaction closed in two stages, in December 1998 for approximately $49 million and in January 1999 for approximately $6 million.

In 1998, the Company also completed tactical regional acquisitions for cash consideration totaling $19.4 million. These acquisitions added approximately 9.1 MMboe to the Company's reserves.

In November 1997, the Company acquired, in the Ampolex Group Transaction, all the capital stock of three companies owning interests in certain oil and gas properties (including 31.9 MMboe of proved oil and natural gas reserves) and production facilities offshore Western Australia for approximately $300 million pursuant to three agreements with subsidiaries of Mobil. The Ampolex Group Transaction acquisition, net of the sale of certain properties to Hardy Petroleum Limited (Hardy), increased the Company's interest to 47.5 percent from 22.5 percent in the Carnarvon Basin's Harriet area, which included the Varanus Island pipeline, processing and production complex and eight existing oil and gas fields. In addition, the Company's interest in the East Spar field, which produces through the Varanus Island facilities, increased to 45 percent from 20 percent. Apache operates both the Harriet and East Spar properties.

In conjunction with the closing of the Ampolex Group Transaction, in December 1997, the Company entered into an agreement under which Hardy agreed to purchase a 10 percent interest in the Company's East Spar gas field and related production facilities in Western Australia. The transaction closed in January 1998 with a total sales price of approximately $63 million in cash.

Debt and Interest Commitments -- At December 31, 1999, Apache had outstanding debt of $116 million under its global credit facility and an aggregate of $1.8 billion of other debt. This other debt included notes and debentures maturing in the years 2000 through 2096. Debt outstanding at December 31, 1999 of $1.9 billion was higher as compared to the $1.4 billion outstanding at December 31, 1998, due to the Company's significant acquisition activity during 1999. Even so, the Company's debt-to-capitalization ratio improved from 43.0 percent at December 31, 1998 to 41.4 percent at December 31, 1999. Interest payments on the Company's debt for 2000 are projected to be $162.0 million (using weighted average balances for floating rate obligations). Anticipated principal payments for 2000 total $6.2 million.

Dividend Payments -- Apache paid a total of $12.6 million in dividends during 1999 on its Series B Preferred Stock issued in August 1998 and its Series C Preferred Stock issued in May 1999. Common dividends paid during 1999 totaled $29.7 million, up nine percent from 1998, due to the increased number of common shares outstanding. The Company has paid cash dividends on its common stock for 132 consecutive quarters through December 31, 1999. The Company expects to continue payment of dividends at current levels on an annual basis. Future dividend payments will depend on the Company's level of earnings, financial requirements and other relevant factors.

Capital Resources and Liquidity

The Company's primary capital resources are net cash provided by operating activities, proceeds from financing activities and proceeds from sales of non-strategic assets.

Net Cash Provided by Operating Activities -- Apache's net cash provided by operating activities during 1999 totaled $638.2 million, an increase of 35 percent over the $471.5 million reported in 1998. This increase was due primarily to higher oil and gas production and prices in 1999. Net cash provided by operating activities during 1998 declined $252.3 million from 1997 due primarily to lower oil and gas prices and lower gas production in 1998, offset by the receipt of $71.8 million from a purchaser as an advance. The advance was for future natural gas deliveries over a ten-year period commencing in August 1998.

Long-Term Borrowings -- In March 1999, Apache Finance Pty Ltd, the Company's Australian finance subsidiary, issued $100 million principal amount, $99.3 million net of discount, of senior unsecured 7-percent notes due March 15, 2009. The notes are irrevocably and unconditionally guaranteed by Apache. The Company has the right to redeem the notes prior to maturity, under certain conditions related to changes in relevant tax laws. Also, upon certain changes in control, these notes would be subject to mandatory repurchase. The proceeds were used to reduce outstanding indebtedness under the Australian portion of the global credit facility.

In June 1999, the Company issued $150 million principal amount, $149.1 million net of discount, of senior unsecured 7.625-percent notes due July 1, 2019. The Company does not have the right to redeem the notes prior to maturity. Upon certain changes in control, these notes would be subject to mandatory repurchase. The proceeds were used to reduce the Company's outstanding amounts of commercial paper.

In December 1999, Apache Finance Canada Corporation, the Company's Canadian finance subsidiary, issued $300 million principal amount, $296.9 million net of discount, of senior unsecured 7.75-percent notes due December 15, 2029. The notes are irrevocably and unconditionally guaranteed by Apache. The Company has the right to redeem the notes prior to maturity, under certain conditions related to changes in relevant tax laws. Also, upon certain changes in control, these notes would be subject to mandatory repurchase. The proceeds were used to repay commercial paper issued to finance the Shell Canada acquisition.

Stock Transactions -- In May 1999, Apache issued 14,950,000 shares of Apache common stock for net proceeds of $444.3 million and 140,000 shares ($217 million) of Series C Preferred Stock in the form of seven million depositary shares each representing one-fiftieth (1/50th) of a share of Series C Preferred Stock for net proceeds of $210.5 million. The Series C Preferred Stock is not subject to a sinking fund or mandatory redemption. On May 15, 2002, each depositary share will automatically convert, subject to adjustments, into not more than one share and not less than 0.8197 of a share of Apache common stock, depending on the market price of Apache common stock at that time.

At any time prior to May 15, 2002, holders of the depositary shares may elect to convert each of their shares, subject to adjustments, into not less than 0.8197 of a share of Apache common stock (5,737,900 common shares). Holders of the shares are entitled to receive cumulative cash dividends at an annual rate of $2.015 per depositary share when, and if, declared by Apache's board of directors.

The net proceeds from both offerings were used for general corporate purposes, including funding a portion of the purchase price for the Shell Offshore acquisition.

Asset Sales -- Apache received $110 million in 1999 and $131.1 million in 1998 from the sale of non-strategic oil and gas properties in a number of separate transactions. An additional $46.1 million in proceeds was received in 1999 due to Apache disposing of its holdings in the Ivory Coast by selling its wholly-owned subsidiary, Apache Cote d'Ivoire Petroleum LDC to a consortium consisting of Mondoil Cote d'Ivoire LLC and Saur Energie Cote d'Ivoire. The proceeds were used to reduce debt.

Liquidity -- The Company had $13.2 million in cash and cash equivalents on hand at December 31, 1999, down from $14.5 million at December 31, 1998. Apache's ratio of current assets to current liabilities increased from .74:1 at December 31, 1998, to 1.02:1 at December 31, 1999.

Management believes that cash on hand, net cash generated from operations and unused committed borrowing capacity under its global credit facility will be adequate to satisfy the Company's financial obligations to meet future liquidity needs for at least the next two fiscal years. As of December 31, 1999, Apache's available borrowing capacity under its global credit facility was $884 million.

IMPACT OF THE YEAR 2000 ISSUE

The Company has not experienced any Year 2000 related computer failures or problems. The cost to achieve Year 2000 compliance did not exceed the estimated $4 million.

FUTURE TRENDS

Apache's strategy is to increase its oil and gas reserves, production, cash flow and earnings through a balanced growth program that involves:

- exploiting our existing asset base;

- acquiring properties to which we can add incremental value; and

- investing in high-potential exploration prospects.

Exploiting Existing Asset Base

We seek to maximize the value of our existing asset base by reducing operating costs per unit and increasing the amount of recoverable reserves. In order to achieve these objectives, we rigorously pursue operations to cut costs, identify production enhancement initiatives such as workovers and recompletions, and divest marginal and non-strategic properties.

Acquiring Properties to Which We Can Add Incremental Value

We seek to purchase reserves at appropriate prices by generally avoiding auction processes where we are competing against other buyers. Our aim is to follow each acquisition with a cycle of reserve enhancement, property consolidation and cash flow acceleration, facilitating asset growth and debt reduction.

Investing in High-Potential Exploration Prospects

We seek to concentrate our exploratory investments in a select number of international areas and to become the dominant operator in those regions. We believe that these investments, although higher-risk, offer the potential for significant reserve additions. Our international investments and exploration activities are a significant component of our long-term growth strategy. They complement our North American operations, which are more development oriented.

A critical component in implementing our three-pronged growth strategy is maintenance of significant financial flexibility. We are committed to preserving a strong balance sheet and credit position that gives us the foundation required to pursue our growth initiatives.

FORWARD-LOOKING STATEMENTS AND RISK

Certain statements in this report, including statements of the future plans, objectives, and expected performance of the Company, are forward-looking statements that are dependent upon certain events, risks and uncertainties that may be outside the Company's control, and which could cause actual results to differ materially from those anticipated. Some of these include, but are not limited to, the market prices of oil and gas, economic and competitive conditions, inflation rates, legislative and regulatory changes, financial market conditions, political and economic uncertainties of foreign governments, future business decisions, and other uncertainties, all of which are difficult to predict.

There are numerous uncertainties inherent in estimating quantities of proved oil and gas reserves and in projecting future rates of production and the timing of development expenditures. The total amount or timing of actual future production may vary significantly from reserves and production estimates. The drilling of exploratory wells can involve significant risks, including those related to timing, success rates and cost overruns. Lease and rig availability, complex geology and other factors can affect these risks. Although Apache makes use of futures contracts, swaps, options and fixed-price physical contracts to mitigate risk, fluctuations in oil and gas prices, or a prolonged continuation of low prices, may substantially adversely affect the Company's financial position, results of operations and cash flows.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary financial information required to be filed under this item are presented on pages F-1 through F-37 of this Form 10-K, and are incorporated herein by reference.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information set forth under the captions "Nominees for Election as Directors," "Continuing Directors," "Executive Officers of the Company," and "Securities Ownership and Principal Holders" in the proxy statement relating to the Company's 2000 annual meeting of stockholders (the Proxy Statement) is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information set forth the captions "Summary Compensation Table", "Option/SAR Grants Table," "Option/SAR Exercises and Year-End Value Table", "Employment Contracts and Termination of Employment and Change-in-Control Arrangements," and "Director Compensation" in the Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information set forth under the caption "Securities Ownership and Principal Holders" in the Proxy Statement is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information set forth under the caption "Certain Business Relationships and Transactions" in the Proxy Statement is incorporated herein by reference.

PART IV

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

(a) Documents included in this report:

1. Financial Statements

Report of management..	F-1
Report of independent public accountants....................	F-2
Statement of consolidated operations for each of the three years in the period ended December 31, 1999...............	F-3
Statement of consolidated cash flows for each of the three years in the period ended December 31, 1999...............	F-4
Consolidated balance sheet as of December 31, 1999 and 1998..	F-5
Statement of consolidated shareholders' equity for each of the three years in the period ended December 31, 1999.....	F-6
Notes to consolidated financial statements..................	F-7
Supplemental oil and gas disclosures........................	F-31
Supplemental quarterly financial data.......................	F-37

2. Financial Statement Schedules

Financial statement schedules have been omitted because they are either not required, not applicable or the information required to be presented is included in the Company's financial statements and related notes.

3. Exhibits

EXHIBIT NO.	DESCRIPTION
2.1	-- Purchase and Sale Agreement by and between Texaco Exploration and Production Inc., as seller, and Registrant, as buyer, dated December 22, 1994 (incorporated by reference to Exhibit 99.3 to Registrant's Current Report on Form 8-K, dated November 29, 1994, SEC File No. 1-4300).
2.2	-- Amended and Restated Agreement and Plan of Merger among Registrant, XPX Acquisitions, Inc and DEKALB Energy Company, dated December 21, 1994 (incorporated by reference to Exhibit 2.1 to Amendment No. 3 to Registrant's Registration Statement on Form S-4, Registration No. 33-57321, filed April 14, 1995)
2.3	-- Agreement and Plan of Merger among Registrant, YPY Acquisitions, Inc. and The Phoenix Resource Companies, Inc., dated March 27, 1996 (incorporated by reference to Exhibit 2.1 to Registrant's Registration Statement on Form S-4, Registration No. 333-02305, filed April 5, 1996).
3.1	-- Restated Certificate of Incorporation of Registrant, dated December 16, 1999, as filed with the Secretary of State of Delaware on December 17, 1999 (incorporated by reference to Exhibit 99.1 to Registrant's Current Report on Form 8-K, dated December 17, 1999, SEC File No. 1-4300).
3.2	-- Bylaws of Registrant, as amended July 14, 1999 (incorporated by reference to Exhibit 3.1 to Amendment No. 1 on Form 8-K/A to Registrant's Current Report on Form 8-K, dated May 18, 1999, SEC File No. 1-4300).
4.1	-- Form of Certificate for Registrant's Common Stock (incorporated by reference to Exhibit 4.1 to Registrant's Annual Report on Form 10-K for year ended December 31, 1995, SEC File No. 1-4300).
4.2	-- Form of Certificate for Registrant's 5.68% Cumulative Preferred Stock, Series B (incorporated by reference to Exhibit 4.2 to Amendment No. 2 on Form 8-K/A to Registrant's Current Report on Form 8-K, dated August 18, 1998, SEC File No. 1-4300).
4.3	-- Form of Certificate for Registrant's Automatically Convertible Equity Securities, Conversion Preferred Stock, Series C (incorporated by reference to Exhibit 99.8 to Amendment No. 1 on Form 8-K/A to Registrant's Current Report on Form 8-K, dated April 29, 1999, SEC File No. 1-4300).
4.4	-- Rights Agreement, dated January 31, 1996, between Registrant and Norwest Bank Minnesota, N.A., rights agent, relating to the declaration of a rights dividend to Registrant's common shareholders of record on January 31, 1996 (incorporated by reference to Exhibit (a) to Registrant's Registration Statement on Form 8-A, dated January 24, 1996, SEC File No. 1-4300).
10.1	-- Credit Agreement, dated June 12, 1997, among the Registrant, the lenders named therein, Morgan Guaranty Trust Company, as Global Documentation Agent and U.S. Syndication Agent, The First National Bank of Chicago, as U.S. Documentation Agent, NationsBank of Texas, N.A., as Co-Agent, Union Bank of Switzerland, Houston Agency, as Co-Agent, and The Chase Manhattan Bank, as Global Administrative Agent (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K, dated June 13, 1997, SEC File No. 1-4300).

EXHIBIT NO.	DESCRIPTION
10.2	-- Credit Agreement, dated June 12, 1997, among Apache Canada Ltd., a wholly-owned subsidiary of the Registrant, the lenders named therein, Morgan Guaranty Trust Company, as Global Documentation Agent, Royal Bank of Canada, as Canadian Documentation Agent, The Chase Manhattan Bank of Canada, as Canadian Syndication Agent, Bank of Montreal, as Canadian Administrative Agent, and The Chase Manhattan Bank, as Global Administrative Agent (incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K, dated June 13, 1997, SEC File No. 1-4300).
10.3	-- Credit Agreement, dated June 12, 1997, among Apache Energy Limited and Apache Oil Australia Pty Limited, wholly-owned subsidiaries of the Registrant, the lenders named therein, Morgan Guaranty Trust Company, as Global Documentation Agent, Bank of America National Trust and Savings Association, Sydney Branch, as Australian Documentation Agent, The Chase Manhattan Bank, as Australian Syndication Agent, Citisecurities Limited, as Australian Administrative Agent, and The Chase Manhattan Bank, as Global Administrative Agent (incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K, dated June 13, 1997, SEC File No. 1-4300).
10.4	-- Fiscal Agency Agreement, dated January 4, 1995, between Registrant and Chemical Bank, as fiscal agent, relating to Registrant's 6% Convertible Subordinated Debentures due 2002 (incorporated by reference to Exhibit 99.2 to Registrant's Current Report on Form 8-K, dated December 6, 1994, SEC File No. 1-4300)
10.5	-- Concession Agreement for Petroleum Exploration and Exploitation in the Khalda Area in Western Desert of Egypt by and among Arab Republic of Egypt, the Egyptian General Petroleum Corporation and Phoenix Resources Company of Egypt, dated April 6, 1981 (incorporated by reference to Exhibit 19(g) to Phoenix's Annual Report on Form 10-K for year ended December 31, 1984, SEC File No. 1-547).
10.6	-- Amendment, dated July 10, 1989, to Concession Agreement for Petroleum Exploration and Exploitation in the Khalda Area in Western Desert of Egypt by and among Arab Republic of Egypt, the Egyptian General Petroleum Corporation and Phoenix Resources Company of Egypt incorporated by reference to Exhibit 10(d)(4) to Phoenix's Quarterly Report on Form 10-Q for quarter ended June 30, 1989, SEC File No. 1-547).
10.7	-- Farmout Agreement, dated September 13, 1985 and relating to the Khalda Area Concession, by and between Phoenix Resources Company of Egypt and Conoco Khalda Inc(incorporated by reference to Exhibit 10.1 to Phoenix's Registration Statement on Form S-1, Registration No. 33-1069, filed October 23, 1985).
10.8	-- Amendment, dated March 30, 1989, to Farmout Agreement relating to the Khalda Area Concession, by and between Phoenix Resources Company of Egypt and Conoco Khalda Inc(incorporated by reference to Exhibit 10(d)(5) to Phoenix's Quarterly Report on Form 10-Q for quarter ended June 30, 1989, SEC File No. 1-547).

EXHIBIT NO.	DESCRIPTION
10.9	-- Amendment, dated May 21, 1995, to Concession Agreement for Petroleum Exploration and Exploitation in the Khalda Area in Western Desert of Egypt between Arab Republic of Egypt, the Egyptian General Petroleum Corporation, Repsol Exploracion Egipto S.A., Phoenix Resources Company of Egypt and Samsung Corporation (incorporated by reference to exhibit 10.12 to Registrant's Annual Report on Form 10-K for year ended December 31, 1997, SEC File No. 1-4300).
10.10	-- Concession Agreement for Petroleum Exploration and Exploitation in the Qarun Area in Western Desert of Egypt, between Arab Republic of Egypt, the Egyptian General Petroleum Corporation, Phoenix Resources Company of Qarun and Apache Oil Egypt, Inc., dated May 17, 1993 (incorporated by reference to Exhibit 10(b) to Phoenix's Annual Report on Form 10-K for year ended December 31, 1993, SEC File No. 1-547).
10.11	-- Agreement for Amending the Gas Pricing Provisions under the Concession Agreement for Petroleum Exploration and Exploitation in the Qarun Area, effective June 16, 1994 (incorporated by reference to Exhibit 10.18 to Registrant's Annual Report on Form 10-K for year ended December 31, 1996, SEC File No. 1-4300).
+10.12	-- 1982 Employee Stock Option Plan, as updated in January 1987 to conform to the Tax Reform Act of 1986 (incorporated by reference to Exhibit 10.7 to Registrant's Annual Report on Form 10-K for year ended December 31, 1990, SEC File No. 1-4300).
+10.13	-- Apache Corporation Corporate Incentive Compensation Plan A (Senior Officers' Plan), dated July 16, 1998 (incorporated by reference to Exhibit 10.13 to Registrant's Annual Report on Form 10-K for year ended December 31, 1998, SEC File No. 1-4300).
+10.14	-- Apache Corporation Corporate Incentive Compensation Plan B (Strategic Objectives Format), dated July 16, 1998 (incorporated by reference to Exhibit 10.14 to Registrant's Annual Report on Form 10-K for year ended December 31, 1998, SEC File No. 1-4300).
+10.15	-- Apache Corporation 401(k) Savings Plan, dated August 1, 1997, effective January 1, 1997 (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K, dated August 8, 1997, SEC File No. 1-4300).
+*10.16	-- Amendments to Apache Corporation 401(k) Savings Plan, dated October 21, 1999, effective as of January 1, 1997 and 1999, and amendment dated December 31, 1999, effective as of January 1, 2000.
+10.17	-- Apache Corporation Money Purchase Retirement Plan, dated December 31, 1997, effective January 1, 1997 (incorporated by reference to Exhibit 10.19 to Registrant's Annual Report on Form 10-K for year ended December 31, 1997, SEC File No. 1-4300).
+*10.18	-- Amendments to Apache Corporation Money Purchase Retirement Plan, dated October 21, 1999, effective as of January 1, 1997 and 1998.
+10.19	-- Non-Qualified Retirement/Savings Plan of Apache Corporation, restated as of January 1, 1997, and amendments effective as of January 1, 1997, January 1, 1998 and January 1, 1999 (incorporated by reference to Exhibit 10.17 to Registrant's Annual Report on Form 10-K for year ended December 31, 1998, SEC File No. 1-4300).

EXHIBIT NO.	DESCRIPTION
+10.20	-- Amendment to Non-Qualified Retirement/Savings Plan of Apache Corporation, dated February 22, 2000, effective as of January 1, 1999 (incorporated by reference to Exhibit 4.7 to Registrant's Registration Statement on Form S-8, Registration No. 333-31092, filed February 25, 2000).
+10.21	-- Apache International, Inc. Common Stock Award Plan, dated February 12, 1990 (incorporated by reference to Exhibit 10.13 to Registrant's Annual Report on Form 10-K for year ended December 31, 1989, SEC File No. 1-4300).
+10.22	-- Apache Corporation 1990 Stock Incentive Plan, as amended and restated February 10, 2000 (incorporated by reference to Exhibit 4.5 to Amendment No. 1 to Registrant's Registration Statement on Form S-8, Registration No. 33-37402, filed March 2, 2000).
+*10.23	-- Apache Corporation 1995 Stock Option Plan, as amended and restated February 10, 2000.
+10.24	-- Apache Corporation 1996 share Price Appreciation Plan, as amended and restated January 14, 1997 (incorporated by reference to Appendix A to Registrant's definitive 14A Proxy Statement, SEC File No. 1-4300, filed March 28, 1997).
+10.25	-- Apache Corporation 1996 Performance Stock Option Plan, as amended and restated September 23, 1999 (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K, dated November 30, 1999, SEC File No. 1-4300).
+*10.26	-- Apache Corporation 1998 Stock Option Plan, as amended and restated February 10, 2000.
+10.27	-- 1990 Employee Stock Option Plan of The Phoenix Resource Companies, Inc., as amended through September 29, 1995, effective April 9, 1990 (incorporated by reference to Exhibit 10.33 to Registrant's Annual Report on Form 10-K for year ended December 31, 1996, SEC File No. 1-4300).
+10.28	-- Apache Corporation Income Continuance Plan, as amended and restated February 24, 1988 (incorporated by reference to Exhibit 10.19 to Registrant's Annual Report on Form 10-K for year ended December 31, 1990, SEC File No. 1-4300).
+10.29	-- Apache Corporation Deferred Delivery Plan, effective as of February 10, 2000 and election forms (incorporated by reference to Exhibit 4.5 to Registrant's Registration Statement on Form S-8, Registration No. 333-31092, filed February 25, 2000).
+10.30	-- Apache Corporation Non-Employee Directors' Compensation Plan, as amended and restated December 17, 1998 (incorporated by reference to Exhibit 10.26 to Registrant's Annual Report on Form 10-K for year ended December 31, 1998, SEC File No. 1-4300).
+10.31	-- Apache Corporation Outside Directors' Retirement Plan, as amended and restated September 11, 1997 (incorporated by reference to Exhibit 10.31 to Registrant's Annual Report on Form 10-K for year ended December 31, 1997, SEC File No. 1-4300).
+10.32	-- Apache Corporation Equity Compensation Plan for Non-Employee Directors, adopted February 9, 1994, and form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.26 to Registrant's Annual Report on Form 10-K for year ended December 31, 1993, SEC File No. 1-4300).

EXHIBIT NO.	DESCRIPTION
+10.33	-- Amended and Restated Employment Agreement, dated December 5, 1990, between Registrant and Raymond Plank (incorporated by reference to Exhibit 10.39 to Registrant's Annual Report on Form 10-K for year ended December 31, 1996, SEC File No. 1-4300).
+10.34	-- First Amendment, dated April 4, 1996, to Restated Employment Agreement between Registrant and Raymond Plank (incorporated by reference to Exhibit 10.40 to Registrant's Annual Report on Form 10-K for year ended December 31,1996, SEC File No. 1-4300).
+10.35	-- Amended and Restated Employment Agreement, dated December 20, 1990, between Registrant and John A. Kocur (incorporated by reference to Exhibit 10.10 to Registrant's Annual Report on Form 10-K for year ended December 31, 1990, SEC File No. 1-4300).
+10.36	-- Employment Agreement, dated June 6, 1988, between Registrant and G. Steven Farris (incorporated by reference to Exhibit 10.6 to Registrant's Annual Report on Form 10-K for year ended December 31, 1989, SEC File No. 1-4300).
+10.37	-- Conditional Stock Grant Agreement, dated December 17, 1998, between Registrant and G. Steven Farris (incorporated by reference to Exhibit 10.33 to Registrant's Annual Report on Form 10-K for year ended December 31, 1998, SEC File No. 1-4300).
10.38	-- Amended and Restated Gas Purchase Agreement, effective July 1, 1998, by and among Registrant and MW Petroleum Corporation, as Seller, and Producers Energy Marketing, LLC, as Buyer (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K, dated June 18, 1998, SEC File No. 1-4300).
*12.1	-- Statement of Computation of Ratios of Earnings to Fixed Charges and Combined Fixed Charges and Preferred Stock Dividends
*21.1	-- Subsidiaries of Registrant
*23.1	-- Consent of Arthur Andersen LLP
*23.2	-- Consent of Ryder Scott Company, L.P. Petroleum Consultants
*23.3	-- Consent of Netherland, Sewell & Associates, Inc.
*24.1	-- Power of Attorney (included as a part of the signature pages to this report)
*27.1	-- Financial Data Schedule

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* Filed herewith.

+ Management contracts or compensatory plans or arrangements required to be filed herewith pursuant to Item 14 hereof.

NOTE: Debt instruments of the Registrant defining the rights of long-term debt holders in principal amounts not exceeding 10 percent of the Registrant's consolidated assets have been omitted and will be provided to the Commission upon request.

(b) Reports on Form 8-K

The following current reports on Form 8-K were filed by Apache during the fiscal quarter ended December 31, 1999:

October 5, 1999 -- Item 5. Other Events

Apache signed a definitive agreement to acquire, through its wholly-owned subsidiary Apache Canada Ltd, certain producing properties and other assets located in Canada from Shell Canada Limited, including proved reserves of 87.5 MMboe, 294,294 net acres of undeveloped leaseholdings, 100-percent interest in a gas processing plant, and proprietary 2-D and 3-D seismic data.

November 30, 1999 -- Item 2. Acquisition or Disposition of Assets; Item
5. Other Events

Apache closed the purchase from Shell Canada Limited of certain producing properties and other assets located in Canada for Cdn $761 million (US $517 million at then current exchange rates) with an effective date of November 1, 1999.

Offering to the public by Apache Finance Canada Corporation of US $300 million principal amount of 7.75% Notes due December 15, 2029, guaranteed by Apache, issued under an indenture dated November 23, 1999, and registered pursuant to a registration statement on Form S-3 (Registration Nos. 333-90147 and 333-90147-01).

SIGNATURES

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

APACHE CORPORATION

/s/ RAYMOND PLANK
Raymond Plank
Chairman and Chief Executive Officer

Dated: March 28, 2000

POWER OF ATTORNEY

The officers and directors of Apache Corporation, whose signatures appear below, hereby constitute and appoint Raymond Plank, G. Steven Farris, Z. S. Kobiashvili and Roger B. Plank, and each of them (with full power to each of them to act alone), the true and lawful attorney-in-fact to sign and execute, on behalf of the undersigned, any amendment(s) to this report and each of the undersigned does hereby ratify and confirm all that said attorneys shall do or cause to be done by virtue thereof.

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

NAME	TITLE	DATE
/s/ RAYMOND PLANK Raymond Plank	Chairman and Chief Executive Officer (Principal Executive Officer)	March 28, 2000
/s/ ROGER PLANK Roger Plank	Vice President and Chief Financial Officer (Principal Financial Officer)	March 28, 2000
/s/ THOMAS L. MITCHELL Thomas L. Mitchell	Vice President and Controller (Principal Accounting Officer)	March 28, 2000

NAME	TITLE	DATE
/s/ FREDERICK M. BOHEN Frederick M. Bohen	Director	March 28, 2000
/s/ G. STEVEN FARRIS G. Steven Farris	Director	March 28, 2000
/s/ RANDOLPH M. FERLIC Randolph M. Ferlic	Director	March 28, 2000
/s/ EUGENE C. FIEDOREK Eugene C. Fiedorek	Director	March 28, 2000
/s/ A. D. FRAZIER, JR. A. D. Frazier, Jr.	Director	March 28, 2000
Stanley K. Hathaway	Director	
/s/ JOHN A. KOCUR John A. Kocur	Director	March 28, 2000
/s/ GEORGE D. LAWRENCE JR. George D. Lawrence Jr.	Director	March 28, 2000
/s/ MARY RALPH LOWE Mary Ralph Lowe	Director	March 28, 2000
/s/ F. H. MERELLI F. H. Merelli	Director	March 28, 2000
/s/ RODMAN D. PATTON Rodman D. Patton	Director	March 28, 2000
/s/ JOSEPH A. RICE Joseph A. Rice	Director	March 28, 2000

REPORT OF MANAGEMENT

The financial statements and related financial information of Apache Corporation and subsidiaries were prepared by and are the responsibility of management. The statements have been prepared in conformity with accounting principles generally accepted in the United States and include amounts that are based on management's best estimates and judgments.

Management maintains and places reliance on systems of internal control designed to provide reasonable assurance, weighing the costs with the benefits sought, that all transactions are properly recorded in the Company's books and records, that policies and procedures are adhered to, and that assets are safeguarded. The systems of internal controls are supported by written policies and guidelines, internal audits and the selection and training of qualified personnel.

The consolidated financial statements of Apache Corporation and subsidiaries have been audited by Arthur Andersen LLP, independent public accountants. Their audits included developing an overall understanding of the Company's accounting systems, procedures and internal controls and conducting tests and other auditing procedures sufficient to support their opinion on the fairness of the consolidated financial statements.

The Apache Corporation Board of Directors exercises its oversight responsibility for the financial statements through its Audit Committee, composed solely of directors who are not current or former employees of Apache. The Audit Committee meets periodically with management, internal auditors and the independent public accountants to ensure that they are successfully completing designated responsibilities. The internal auditors and independent public accountants have open access to the Audit Committee to discuss auditing and financial reporting issues.

Raymond Plank Chairman of the Board and Chief Executive Officer

Roger B. Plank Vice President and Chief Financial Officer

Thomas L. Mitchell Vice President and Chief Accounting Officer

Houston, Texas
March 3, 2000

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of Apache Corporation:

We have audited the accompanying consolidated balance sheet of Apache Corporation (a Delaware corporation) and subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Apache Corporation and subsidiaries as of December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

ARTHUR ANDERSEN LLP

Houston, Texas
March 3, 2000

APACHE CORPORATION AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED OPERATIONS

	FOR THE YEAR ENDED DECEMBER 31,		
	1999	1998	1997
	(IN THOUSANDS, EXCEPT PER COMMON SHARE DATA)		
REVENUES:			
Oil and gas production revenues	$1,142,336	$ 759,038	$ 983,773
Gathering, processing and marketing revenues	155,562	117,395	196,951
Equity in income (loss) of affiliates	153	(1,558)	(1,683)
Other revenues	2,454	840	(2,768)
	1,300,505	875,715	1,176,273
OPERATING EXPENSES:			
Depreciation, depletion and amortization:			
Recurring	442,844	382,807	381,416
Additional	--	243,178	--
Operating costs	223,561	211,554	231,370
Gathering, processing and marketing costs	153,367	114,471	194,279
Administrative, selling and other	53,894	40,731	38,243
Financing costs:			
Interest expense	132,986	119,703	105,148
Amortization of deferred loan costs	4,854	4,496	6,438
Capitalized interest	(53,231)	(49,279)	(36,493)
Interest income	(2,343)	(4,383)	(2,768)
	955,932	1,063,278	917,633
INCOME (LOSS) BEFORE INCOME TAXES	344,573	(187,563)	258,640
Provision (benefit) for income taxes	143,718	(58,176)	103,744
NET INCOME (LOSS)	200,855	(129,387)	154,896
Preferred stock dividends	14,449	2,004	--
INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCK	$ 186,406	$ (131,391)	$ 154,896
NET INCOME (LOSS) PER COMMON SHARE:			
Basic	$ 1.73	$ (1.34)	$ 1.71
Diluted	$ 1.72	$ (1.34)	$ 1.65

The accompanying notes to consolidated financial statements are an integral part of this statement.

APACHE CORPORATION AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED CASH FLOWS

	FOR THE YEAR ENDED DECEMBER 31,		
	1999	1998	1997
	(IN THOUSANDS)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 200,855	$(129,387)	$ 154,896
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation, depletion and amortization	442,844	625,985	381,416
Amortization of deferred loan costs	4,854	4,496	6,438
Provision (benefit) for deferred income taxes	77,494	(81,856)	68,280
Other	1,533	--	--
Cash distributions (less than) in excess of earnings of affiliates	(153)	1,523	1,768
Loss (gain) on sale of stock held for investment	(234)	364	(13)
Changes in operating assets and liabilities, net of effects of acquisitions:			
(Increase) decrease in receivables	(103,167)	65,487	12,556
(Increase) decrease in advances to oil and gas ventures and other	(15,330)	3,879	(7,728)
(Increase) decrease in deferred charges and other	(2,356)	13,238	447
Increase (decrease) in payables	24,912	(65,851)	1,920
Increase (decrease) in accrued expenses	26,233	(12,161)	9,579
(Decrease) increase in advances from gas purchasers	(24,512)	50,922	102,748
Increase (decrease) in deferred credits and noncurrent liabilities	5,201	(5,128)	(8,499)
NET CASH PROVIDED BY OPERATING ACTIVITIES	638,174	471,511	723,808
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to property and equipment	(591,316)	(699,509)	(771,419)
Non-cash portion of net oil and gas property additions	(19,884)	38,774	6,208
Acquisition of Shell Offshore properties	(687,677)	--	--
Acquisition of Shell Canada properties	(517,815)	--	--
Acquisition of British-Borneo interests, net of cash acquired	(83,590)	--	--
Acquisition of Novus, net of cash acquired	(5,758)	(48,499)	--
Acquisition of Ampolex Group, net of cash acquired	--	--	(299,852)
Proceeds from sales of oil and gas properties	155,226	131,149	30,134
Purchase of stock held for investment	(5,282)	--	(1,170)
Proceeds from sale of stock held for investment	--	26,147	1,183
Proceeds from sale of assets held for resale	--	62,998	--
Other, net	(13,655)	(23,180)	(31,309)
NET CASH USED IN INVESTING ACTIVITIES	(1,769,751)	(512,120)	(1,066,225)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Long-term borrowings	1,602,871	551,897	1,168,201
Payments on long-term debt	(1,075,821)	(556,141)	(812,327)
Proceeds from issuance of common stock	455,381	1,240	11,623
Proceeds from issuance of preferred stock	210,490	98,630	--
Dividends paid	(42,264)	(28,204)	(25,275)
Payments to acquire treasury stock	(15,603)	(21,418)	(386)
Cost of debt and equity transactions	(4,843)	(544)	(2,894)
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,130,211	45,460	338,942
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,366)	4,851	(3,475)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	14,537	9,686	13,161
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 13,171	$ 14,537	$ 9,686

The accompanying notes to consolidated financial statements are an integral part of this statement.

APACHE CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

	DECEMBER 31, 1999	DECEMBER 31, 1998
	(IN THOUSANDS)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 13,171	$ 14,537
Receivables	259,530	159,806
Inventories	45,113	40,948
Advances to oil and gas ventures and other	25,254	11,679
	343,068	226,970
PROPERTY AND EQUIPMENT:		
Oil and gas, on the basis of full cost accounting:		
Proved properties	7,409,787	5,901,863
Unproved properties and properties under development, not being amortized	869,108	637,854
Gas gathering, transmission and processing facilities	442,437	354,506
Other	105,635	88,422
	8,826,967	6,982,645
Less: Accumulated depreciation, depletion and amortization	(3,711,109)	(3,255,104)
	5,115,858	3,727,541
OTHER ASSETS:		
Deferred charges and other	43,617	41,551
	$ 5,502,543	$ 3,996,062
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 6,158	$ 15,500
Accounts payable	148,309	115,111
Accrued operating expense	18,226	18,990
Accrued exploration and development	101,490	120,855
Accrued compensation and benefits	22,631	10,692
Accrued interest	28,118	19,054
Other accrued expenses	11,846	5,572
	336,778	305,774
LONG-TERM DEBT	1,879,650	1,343,258
DEFERRED CREDITS AND OTHER NONCURRENT LIABILITIES:		
Income taxes	360,324	270,493
Advances from gas purchasers	180,956	205,468
Other	75,408	69,236
	616,688	545,197
COMMITMENTS AND CONTINGENCIES (Note 10)		
SHAREHOLDERS' EQUITY:		
Preferred stock, no par value, 5,000,000 shares authorized --		
Series B, 5.68% Cumulative Preferred Stock, 100,000 shares issued and outstanding	98,387	98,387
Series C, 6.5% Conversion Preferred Stock, 140,000 shares issued and outstanding	210,490	--
Common stock, $1.25 par, 215,000,000 shares authorized, 116,403,013 and 99,790,337 shares issued, respectively	145,504	124,738
Paid-in capital	1,717,027	1,245,738
Retained earnings	558,721	403,098
Treasury stock, at cost, 2,406,549 and 2,021,215 shares, respectively	(52,256)	(36,924)
Accumulated other comprehensive income	(8,446)	(33,204)
	2,669,427	1,801,833
	$ 5,502,543	$ 3,996,062

The accompanying notes to consolidated financial statements are an integral part of this statement.

APACHE CORPORATION AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED SHAREHOLDERS' EQUITY

	COMPREHENSIVE INCOME	SERIES B PREFERRED STOCK	SERIES C PREFERRED STOCK	COMMON STOCK	PAID-IN CAPITAL	RETAINED EARNINGS	TREASURY STOCK
			(IN THOUSANDS)				
BALANCE, DECEMBER 31, 1996		$ --	$ --	$114,030	$1,002,540	$ 432,588	$(15,152)
Comprehensive income:							
Net income	$ 154,896	--	--	--	--	154,896	--
Currency translation adjustments	(4,969)	--	--	--	--	--	--
Comprehensive income	$ 149,927						
Dividends ($.28 per common share)		--	--	--	--	(25,503)	--
Common shares issued		--	--	4,068	82,523	--	--
Treasury shares purchased, net		--	--	--	--	--	(354)
BALANCE, DECEMBER 31, 1997		--	--	118,098	1,085,063	561,981	(15,506)
Comprehensive income:							
Net loss	$(129,387)	--	--	--	--	(129,387)	--
Currency translation adjustments	(12,745)	--	--	--	--	--	--
Comprehensive loss	$(142,132)						
Dividends:							
Preferred		--	--	--	--	(2,004)	--
Common ($.28 per share)		--	--	--	--	(27,492)	--
Preferred shares issued		98,387	--	--	--	--	--
Common shares issued		--	--	6,640	160,675	--	--
Treasury shares purchased, net		--	--	--	--	--	(21,418)
BALANCE, DECEMBER 31, 1998		98,387	--	124,738	1,245,738	403,098	(36,924)
Comprehensive income:							
Net income	$ 200,855	--	--	--	--	200,855	--
Currency translation adjustments	24,543	--	--	--	--	--	--
Unrealized gain on marketable securities, net of applicable income taxes of $129	215	--	--	--	--	--	--
Comprehensive income	$ 225,613						
Dividends:							
Preferred		--	--	--	--	(14,449)	--
Common ($.28 per share)		--	--	--	--	(30,783)	--
Preferred shares issued		--	210,490	--	--	--	--
Common shares issued		--	--	20,766	471,289	--	--
Treasury shares purchased, net		--	--	--	--	--	(15,332)
BALANCE, DECEMBER 31, 1999		$98,387	$210,490	$145,504	$1,717,027	$ 558,721	$(52,256)

	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL SHAREHOLDERS' EQUITY
	(IN THOUSANDS)	
BALANCE, DECEMBER 31, 1996	$(15,490)	$1,518,516
Comprehensive income:		
Net income	--	154,896
Currency translation adjustments	(4,969)	(4,969)
Comprehensive income		
Dividends ($.28 per common share)	--	(25,503)
Common shares issued	--	86,591
Treasury shares purchased, net	--	(354)
BALANCE, DECEMBER 31, 1997	(20,459)	1,729,177
Comprehensive income:		
Net loss	--	(129,387)
Currency translation adjustments	(12,745)	(12,745)
Comprehensive loss		
Dividends:		
Preferred	--	(2,004)
Common ($.28 per share)	--	(27,492)
Preferred shares issued	--	98,387
Common shares issued	--	167,315
Treasury shares purchased, net	--	(21,418)
BALANCE, DECEMBER 31, 1998	(33,204)	1,801,833
Comprehensive income:		
Net income	--	200,855
Currency translation adjustments	24,543	24,543
Unrealized gain on marketable securities, net of applicable income taxes of $129	215	215
Comprehensive income		
Dividends:		
Preferred	--	(14,449)
Common ($.28 per share)	--	(30,783)

Preferred shares issued..................	--	210,490
Common shares issued.....................	--	492,055
Treasury shares purchased, net...........	--	(15,332)
	--------	----------
BALANCE, DECEMBER 31, 1999.................	$ (8,446)	$2,669,427
	========	==========

The accompanying notes to consolidated financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations -- Apache Corporation (Apache or the Company) is an independent energy company that explores for, develops and produces natural gas, crude oil and natural gas liquids. The Company's North American exploration and production activities are divided into three U.S. operating regions (Offshore, Southern and Midcontinent) and a Canadian region. Approximately 73 percent of the Company's proved reserves are located in North America. Internationally, Apache has exploration and production interests in Egypt and offshore Western Australia, and exploration interests in Poland and offshore The People's Republic of China (China).

Apache holds interests in many of its U.S., Canadian and international properties through operating subsidiaries, such as Apache Canada Ltd., DEK Energy Company (DEKALB, formerly known as DEKALB Energy Company), Apache Energy Limited (formerly known as Hadson Energy Limited), Apache International, Inc., and Apache Overseas, Inc.

The Company's future financial condition and results of operations will depend upon prices received for its oil and natural gas production and the costs of finding, acquiring, developing and producing reserves. A substantial portion of the Company's production is sold under market-sensitive contracts. Prices for oil and natural gas are subject to fluctuations in response to changes in supply, market uncertainty and a variety of other factors beyond the Company's control. These factors include worldwide political instability (especially in the Middle East), the foreign supply of oil and natural gas, the price of foreign imports, the level of consumer demand, and the price and availability of alternative fuels. With natural gas accounting for 54 percent of Apache's 1999 production on an energy equivalent basis, the Company is affected more by fluctuations in natural gas prices than in oil prices.

Principles of Consolidation -- The accompanying consolidated financial statements include the accounts of Apache and its subsidiaries after elimination of intercompany balances and transactions. The Company's interests in oil and gas exploration and production ventures and partnerships are proportionately consolidated. Apache's investment in Producers Energy Marketing LLC (ProEnergy) and a pipeline partnership in Western Australia are accounted for using the equity method for the periods of ownership.

Cash Equivalents -- The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. These investments are carried at cost, which approximates market.

Inventories -- Inventories consist principally of tubular goods and production equipment, stated at the lower of weighted average cost or market, and oil produced but not sold, stated at current market value net of costs to sell.

Property and Equipment -- The Company uses the full cost method of accounting for its investment in oil and gas properties. Under this method, the Company capitalizes all acquisition, exploration and development costs incurred for the purpose of finding oil and gas reserves, including salaries, benefits and other internal costs directly attributable to these activities. Exclusive of field-level costs, Apache capitalized $14.2 million, $12.2 million and $11.9 million of internal costs in 1999, 1998 and 1997, respectively. Costs associated with production and general corporate activities are expensed in the period incurred. Internal costs attributable to the management of the Company's producing properties, before recoveries from industry partners, totaled $24.4 million, $23.1 million and $22.5 million in 1999, 1998 and 1997, respectively, and are included in operating costs in the Company's statement of consolidated operations. Interest costs related to unproved properties and properties under development are also capitalized to oil and gas properties. Unless a significant portion of the Company's proved reserve quantities in a particular country are sold (greater than 25 percent), proceeds from the sale of oil and gas properties are accounted for as a reduction to capitalized costs, and gains and losses are not recognized.

Apache computes the provision for recurring depreciation, depletion and amortization (DD&A) of oil and gas properties on a quarterly basis using the unit-of-production method based upon production and estimates of proved reserve quantities. Unevaluated costs and related capitalized interest costs are excluded from the amortization base until the properties associated with these costs are evaluated. The amortizable base includes estimated future development costs and dismantlement, restoration and abandonment costs, net of estimated salvage values. These future costs are generally estimated by engineers employed by Apache.

Apache limits, on a country-by-country basis, the capitalized costs of proved oil and gas properties, net of accumulated DD&A and deferred income taxes, to the estimated future net cash flows from proved oil and gas reserves discounted at 10 percent, net of related tax effects, plus the lower of cost or fair value of unproved properties included in the costs being amortized. If capitalized costs exceed this limit, the excess is charged to additional DD&A expense. Included in the estimated future net cash flows are Canadian provincial tax credits expected to be realized beyond the date at which the legislation, under its provisions, could be repealed. To date, the Canadian provincial government has not indicated an intention to repeal this legislation.

As a result of low oil and gas prices at December 31, 1998, Apache's capitalized costs of U.S. oil and gas properties exceeded the ceiling limitation and the Company recorded a $243.2 million pre-tax ($158.1 million net of tax) non-cash write-down in 1998. The write-down is reflected as additional DD&A expense in the accompanying statement of consolidated operations. Given the volatility of oil and gas prices, it is reasonably possible that the Company's estimate of discounted future net cash flows from proved oil and gas reserves could change in the near term. If oil and gas prices decline significantly, even if only for a short period of time, it is possible that additional write-downs of oil and gas properties could occur in the future.

The costs of certain unevaluated leasehold acreage and wells being drilled are not being amortized. Costs not being amortized are periodically assessed for possible impairments or reductions in value. If a reduction in value has occurred, costs being amortized are increased or a charge is made against earnings for those international operations where a reserve base is not yet established.

Buildings, equipment and gas gathering, transmission and processing facilities are depreciated on a straight-line basis over the estimated useful lives of the assets, which range from three to 20 years. Accumulated depreciation for these assets totaled $97.4 million and $70.0 million at December 31, 1999 and 1998, respectively.

Accounts Payable -- Included in accounts payable at December 31, 1999 and 1998, are liabilities of approximately $41.6 million and $24.0 million, respectively, representing the amount by which checks issued, but not presented to the Company's banks for collection, exceeded balances in applicable bank accounts.

Revenue Recognition -- Apache uses the sales method of accounting for natural gas revenues. Under this method, revenues are recognized based on actual volumes of gas sold to purchasers. The volumes of gas sold may differ from the volumes to which Apache is entitled based on its interests in the properties. Differences between volumes sold and entitled volumes create gas imbalances which are generally reflected as adjustments to reported proved gas reserves and future cash flows in the Company's supplemental oil and gas disclosures. Adjustments for gas imbalances totaled less than one percent of Apache's proved gas reserves at December 31, 1999. Revenue is deferred and a liability is recorded for those properties where the estimated remaining reserves will not be sufficient to enable the underproduced owner to recoup its entitled share through production.

Derivative Instruments and Hedging Activities -- Apache periodically enters into commodity derivatives contracts and fixed-price physical contracts to manage its exposure to oil and gas price volatility. Commodity derivatives contracts, which are usually placed with major financial institutions that the Company believes are minimal credit risks, may take the form of futures contracts, swaps or options. The oil and gas reference prices upon which these commodity derivatives contracts are based reflect various market indices that have a high degree of historical correlation with actual prices received by the Company. The Company accounts for its commodity derivatives contracts using the hedge (or deferral) method of accounting. Under this method, realized gains and losses from the Company's price risk management activities are recognized in oil and gas production revenues when the associated production occurs and the resulting cash flows are reported as cash flows from operating activities. Gains and losses on commodity derivatives contracts that are closed before the hedged production occurs are deferred until the production month originally hedged. In the event of a loss of correlation between changes in oil and gas reference prices under a commodity derivatives contract and actual oil and gas prices, a gain or loss is recognized currently to the extent the commodity derivatives contract has not offset changes in actual oil and gas prices.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value, and requires that changes in a derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the statement of consolidated operations, and requires that a company formally document, designate, and assess the effectiveness of transactions that receive hedge accounting treatment. SFAS No. 133, as amended, is required to be adopted on January 1, 2001, although earlier adoption is permitted. The Company is analyzing the effects of SFAS No. 133, but has not yet quantified the impact on its financial statements or determined the timing or method of adoption. Management does not believe that the adoption of SFAS No. 133 will have a material impact on the Company's financial condition or results of operations.

Income Taxes -- The Company follows the liability method of accounting for income taxes under which deferred tax assets and liabilities are recognized for the future tax consequences of (i) temporary differences between the tax bases of assets and liabilities and their reported amounts in the financial statements and (ii) operating loss and tax credit carryforwards for tax purposes. Deferred tax assets are reduced by a valuation allowance when, based upon management's estimates, it is more likely than not that a portion of the deferred tax assets will not be realized in a future period.

Foreign Currency Translation -- The U.S. dollar is considered the functional currency for each of the Company's international operations, except for its Canadian subsidiary whose functional currency is the Canadian dollar. Translation adjustments resulting from translating the Canadian subsidiary's foreign currency financial statements into U.S. dollar equivalents are reported separately and accumulated in other comprehensive income. For other international operations, transaction gains and losses are recognized in net income.

Net Income (Loss) Per Common Share -- Basic and diluted net income (loss) per common share have been computed in accordance with SFAS No. 128, "Earnings per Share." Basic net income (loss) per common share is computed by dividing income (loss) attributable to common stock by the weighted average number of common shares outstanding for the period. Diluted net income per common share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Diluted net loss per common share does not reflect dilution from potential common shares, because to do so would be antidilutive. Calculations of basic and diluted net income (loss) per common share are illustrated in Note 7.

Stock-Based Compensation -- The Company accounts for employee stock-based compensation using the intrinsic value method prescribed by Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations. Nonemployee stock-based compensation is accounted for using the fair value method in accordance with SFAS No. 123, "Accounting for Stock-Based Compensation."

Use of Estimates -- The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates with regard to these financial statements include the estimate of proved oil and gas reserve quantities and the related present value of estimated future net cash flows therefrom (see supplemental oil and gas disclosures).

2. ACQUISITIONS AND DIVESTITURES

Acquisitions

On February 1, 1999, the Company acquired oil and gas properties located in the Gulf of Mexico from Petsec Energy Inc. (Petsec) for an adjusted purchase price of $67.7 million. The Petsec transaction included estimated proved reserves of approximately 10.2 million barrels of oil equivalent (MMboe) as of the acquisition date.

On May 18, 1999, Apache acquired from Shell Offshore Inc. and affiliated Shell entities (Shell Offshore) its interest in 22 producing fields and 16 undeveloped blocks located in the Gulf of Mexico. The Shell Offshore acquisition also included certain production-related assets and proprietary 3D seismic data covering approximately 1,000 blocks in the Gulf of Mexico. The purchase price was $687.7 million in cash and one million shares of Apache common stock (valued at $28.125 per share). The Shell Offshore acquisition included approximately 123.2 MMboe of proved reserves as of the acquisition date.

On June 18, 1999, the Company acquired a 10 percent interest in the East Spar Joint Venture and an 8.4 percent interest in the Harriet Joint Venture, both located in the Carnarvon Basin (offshore Western Australia), from British-Borneo Oil and Gas Plc (British-Borneo) in exchange for $83.6 million cash and working interests in 11 leases in the Gulf of Mexico. The British-Borneo transaction included approximately 16.8 MMboe of proved reserves as of the acquisition date.

The purchase price was allocated to the assets purchased and the liabilities assumed based upon the fair values on the date of acquisition, as follows (in thousands):

Value of properties acquired, including gathering and transportation facilities	$ 98,582
Value of Gulf of Mexico leases	(3,209)
Working capital acquired, net	4,123
Deferred income tax liability	(15,906)
Cash paid, net of cash acquired	$ 83,590

On November 30, 1999, Apache acquired from Shell Canada Limited (Shell Canada) producing properties and other assets for C$761 million (US$517.8 million). The producing properties consisted of 150,400 net acres and comprised 20 fields with an average working interest of 55 percent and proved reserves of
87.2 MMboe as of the acquisition date. Apache also acquired 294,294 net acres of undeveloped leaseholdings, a 100 percent interest in a gas processing plant with a potential throughput capacity of 160 million cubic feet (MMcf) per day, and 52,700 square miles of 2-D seismic and 884 square miles of 3-D seismic.

The following unaudited pro forma information shows the effect on the Company's consolidated results of operations as if the Shell Offshore and Shell Canada acquisitions occurred on January 1 of each year presented. The pro forma information is based on numerous assumptions and is not necessarily indicative of future results of operations.

	FOR THE YEAR ENDED DECEMBER 31, 1999		FOR THE YEAR ENDED DECEMBER 31, 1998	
	AS REPORTED	PRO FORMA	AS REPORTED	PRO FORMA
(UNAUDITED)	(IN THOUSANDS, EXCEPT PER COMMON SHARE DATA)			
Revenues	$1,300,505	$1,482,499	$ 875,715	$1,219,945
Net income (loss)	200,855	225,905	(129,387)	(81,206)
Preferred stock dividends	14,449	19,738	2,004	16,109
Income (loss) attributable to common stock	186,406	206,167	(131,391)	(97,315)
Net income (loss) per common share:				
Basic	$ 1.73	$ 1.81	$ (1.34)	$ (.85)
Diluted	1.72	1.80	(1.34)	(.85)
Average common shares outstanding	107,936	113,923	98,066	114,016

In 1999, the Company also completed tactical regional acquisitions for cash consideration totaling $17.7 million. These acquisitions added approximately 8.8 MMboe to the Company's proved reserves.

In November 1998, the Company entered into agreements to acquire certain oil and gas interests and companies holding oil and gas interests in the Carnarvon Basin, offshore Western Australia, from subsidiaries of Novus Petroleum Limited (Novus) for approximately $55 million. The interests have estimated proved reserves of approximately 5.8 MMboe and daily production of 2,400 barrels of oil equivalent. They are within the Apache-operated Harriet Joint Venture (which includes production, processing and pipeline infrastructure associated with the Varanus Island hub), the Airlie Joint Venture (in which the Company held a prior interest and became operator) and three other exploration permit areas. The transaction closed in two stages, in December 1998 (approximately $49 million) and in January 1999 (approximately $6 million). Under the terms of an agreement with Novus, the Company may be required to make additional payments to Novus based on proved and probable recoverable oil and condensate reserves, as determined by independent engineers, on a defined geological structure in the Gipsy-Rose-Lee area, offshore Western Australia. If required, such payments would be calculated using $2.50 for each barrel of proved and $1.25 for each barrel of probable oil and condensate reserves. A payment becomes due if and when a decision is made to construct facilities for the production of oil or condensate from the designated area.

The total purchase price for the two stages of the transaction was allocated to the assets purchased and the liabilities assumed based upon the fair values on the date of acquisition, as follows (in thousands):

Value of properties acquired, including gathering and transportation facilities	$ 62,657
Working capital acquired, net	2,658
Deferred income tax liability	(11,058)
Cash paid, net of cash acquired	$ 54,257

In 1998, the Company also completed tactical regional acquisitions for cash consideration totaling $19.4 million. These acquisitions added approximately 9.1 MMboe to the Company's proved reserves.

In November 1997, the Company acquired all the capital stock of three companies owning interests in certain oil and gas properties (including 31.9 MMboe of proved oil and natural gas reserves) and production facilities offshore Western Australia for approximately $300 million from subsidiaries of Mobil Exploration & Producing Australia Pty Ltd (Ampolex Group Transaction). The Ampolex Group Transaction, net of the subsequent sale of certain properties to Hardy Petroleum Limited (Hardy), increased the Company's interest to 47.5 percent from 22.5 percent in the Carnarvon Basin's Harriet area, which includes the Varanus Island pipeline, processing and production complex and eight existing oil and gas fields. The transaction also increased the Company's interest in the East Spar field, which produces through the Varanus Island facilities, to 45 percent from 20 percent. Apache operates the Harriet and East Spar properties.

The purchase price was allocated to the assets purchased and the liabilities assumed based upon the fair values on the date of acquisition, as follows (in thousands):

Value of properties acquired, including gathering and transportation facilities	$264,539
Assets held for resale	63,058
Working capital acquired, net	6,692
Deferred income tax liability	(34,437)
Cash paid, net of cash acquired	$299,852

In conjunction with the closing of the Ampolex Group Transaction, the Company entered into an agreement with Hardy in December 1997, under which Hardy agreed to purchase a 10 percent interest in the Company's East Spar field and related production facilities. The transaction closed in January 1998, with a total sales price of approximately $63 million in cash.

In 1997, the Company also completed tactical regional acquisitions for cash consideration totaling $33.6 million. These acquisitions added approximately 6.6 MMboe to the Company's proved reserves.

Each transaction described above has been accounted for using the purchase method of accounting and has been included in the financial statements of Apache since the date of acquisition.

In January 2000, Apache completed the acquisition of producing properties in Western Oklahoma and the Texas Panhandle, formerly owned by a subsidiary of Repsol YPF, for approximately $119 million, plus assumed liabilities of approximately $30 million. The acquisition included estimated proved reserves of 206 billion cubic feet of natural gas equivalent as of the acquisition date.

Divestitures

On September 3, 1999, Apache sold its holdings in the Ivory Coast by selling its wholly-owned subsidiary, Apache Cote d'Ivoire Petroleum LDC, for a total sales price of $46.1 million to a consortium consisting of Mondoil Cote d'Ivoire LLC and Saur Energie Cote d'Ivoire. The sale consisted of 13.7 MMboe of proved reserves and a gain was recorded to other revenues in the accompanying statement of consolidated operations.

Additionally, during 1999, Apache sold 27.9 MMboe of proved reserves in several transactions from largely marginal North American properties for $110 million.

In 1998, Apache sold marginal properties, primarily in North America, containing 29.6 MMboe of proved reserves, for $131.1 million. Apache used the sales proceeds to reduce bank debt.

Apache received $30.1 million in 1997 from the sale of non-strategic oil and gas properties in a number of separate transactions.

3. INVESTMENTS IN EQUITY SECURITIES

Apache has certain investments in equity securities which are classified as "available for sale" pursuant to SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." At December 31, 1999, the aggregate cost basis totaled $2.3 million. The related aggregate fair value approximated $2.6 million and the unrealized gain at December 31, 1999 was approximately $300,000. At December 31, 1998 and 1997, Apache had no investments in equity securities.

The Company realized an aggregate gain from the sale of equity securities totaling $234,000 during 1999, losses totaling $364,000 during 1998 and gains of $13,000 during 1997. Apache utilizes the average cost method in computing realized gains or losses, which are included in other revenues in the accompanying statement of consolidated operations.

4. DEBT

Long-Term Debt

	DECEMBER 31, 1999	DECEMBER 31, 1998
	(IN THOUSANDS)	
Apache:		
Money market lines of credit	$ 6,158	$ 15,500
Commercial paper, expected to be refinanced	--	59,000
9.25-percent notes due 2002, net of discount	99,882	99,842
7-percent notes due 2018, net of discount	148,291	148,246
7.625-percent notes due 2019, net of discount	149,063	--
7.7-percent notes due 2026, net of discount	99,646	99,642
7.95-percent notes due 2026, net of discount	178,560	178,544
7.375-percent debentures due 2047, net of discount	147,993	147,988
7.625-percent debentures due 2096, net of discount	149,175	149,175
	978,768	897,937
Subsidiary and other obligations:		
Global credit facility -- Australia	116,000	148,000
Global credit facility -- Canada	--	5,000
Revolving credit facility -- Egypt	196,590	109,780
DEKALB 9.875-percent notes due 2000, expected to be refinanced	29,225	29,225
Apache Finance Australia 6.5-percent notes due 2007, net of discount	168,916	168,816
Apache Finance Australia 7-percent notes due 2009, net of discount	99,376	--
Apache Finance Canada 7.75-percent notes due 2029, net of discount	296,933	--
	907,040	460,821
Total debt	1,885,808	1,358,758
Less: current maturities	(6,158)	(15,500)
Long-term debt	$1,879,650	$1,343,258

In June 1997, Apache replaced its $1 billion global borrowing-base credit facility with a new $1 billion global corporate credit facility (global credit facility). The global credit facility consists of three separate bank facilities: a $700 million facility in the United States; a $175 million facility in Australia; and a $125 million facility in Canada. The global credit facility enables Apache to draw on the entire $1 billion facility without restrictions tied to periodic revaluation of the Company's oil and gas reserves. As of December 31, 1999, Apache's available borrowing capacity under the global credit facility was $884 million. Under the financial covenants of the global credit facility, the Company must (i) maintain a consolidated tangible net worth, as defined, of at least $1.2 billion as of December 31, 1999, which is adjusted for subsequent earnings, and (ii) maintain a ratio of debt to capitalization of not greater than 60 percent at the end of any fiscal quarter. The Company was in compliance with all financial covenants at December 31, 1999.

The global credit facility is scheduled to mature on June 12, 2002, in the amount of $30 million and the remaining $970 million on June 12, 2003. At the Company's option, the interest rate is based on (i) the greater of (a) The Chase Manhattan Bank's prime rate or (b) the federal funds rate plus one-half of one percent, (ii) the London Interbank Offered Rate (LIBOR) plus a margin determined by the Company's senior long-term debt rating, or (iii) a margin that is determined by competitive bids from the participating banks. At December 31, 1999, the margin over LIBOR for committed loans was .185 percent. The Company also pays a quarterly facility fee of .09 percent on the total amount of each of the three facilities, which fee varies based upon the Company's senior long-term debt rating.

At December 31, 1999, the Company also had certain uncommitted money market lines of credit which are used from time to time for working capital purposes. As of December 31, 1999, an aggregate of $6.2 million was outstanding under such credit lines.

In January 1997, the Company established a $300 million commercial paper program which enables Apache to borrow funds for up to 270 days at competitive interest rates. In June 1997, Apache expanded its commercial paper program to $700 million from $300 million to provide access to additional low-cost, short- term funds. Since its inception in January 1997, the Company's commercial paper program has been rated A-2, Prime-2 and D-1- (D-One-Minus) by Standard & Poor's, Moody's and Duff and Phelps, respectively. As of December 31, 1999, no amounts were outstanding under Apache's commercial paper program. The commercial paper balance at December 31, 1998 was classified as long-term debt in the accompanying consolidated balance sheet as the Company had the ability and intent to refinance such amounts on a long-term basis through either the rollover of commercial paper or available borrowing capacity under the global credit facility.

In January 1998, approximately 90 percent, or $155.6 million, of the Company's 6-percent convertible subordinated debentures was converted into approximately 5.1 million shares of Apache common stock at a conversion price of $30.68 per share. The remaining $16.9 million of principal amount was redeemed for $17.4 million in cash, plus accrued and unpaid interest. The Company recorded a $.8 million loss on the early extinguishment of debt in January 1998.

In May 1992, Apache issued $100 million of 9.25-percent notes which mature in June 2002. The Company does not have the right to redeem the notes prior to maturity.

In February 1998, Apache issued $150 million principal amount, $148.2 million net of discount, of senior unsecured 7-percent notes maturing on February 1, 2018. The Company does not have the right to redeem the notes prior to maturity.

In June 1999, the Company issued $150 million principal amount, $149.1 million net of discount, of senior unsecured 7.625-percent notes due July 1, 2019. The Company does not have the right to redeem the notes prior to maturity.

In February 1996, Apache issued $100 million principal amount, $99.6 million net of discount, of senior unsecured 7.7-percent notes due March 15, 2026. In April 1996, the Company issued $180 million principal amount, $178.5 million net of discount, of senior unsecured 7.95-percent notes maturing on April 15, 2026. The notes are not redeemable prior to maturity; however, under certain conditions, Apache has the right to advance maturity of these notes.

In August 1997, Apache issued $150 million principal amount, $148 million net of discount, of senior unsecured 7.375-percent debentures maturing on August 15, 2047. The debentures are not redeemable prior to maturity; however, Apache has the right to advance maturity, under certain conditions.

In November 1996, Apache issued $150 million principal amount, $149.2 million net of discount, of senior unsecured 7.625-percent debentures maturing on November 1, 2096. The debentures are not redeemable prior to maturity; however, under certain conditions, Apache has the right to advance maturity of these debentures.

Upon certain changes in control, the debt instruments described in the preceding six paragraphs would be subject to mandatory repurchase.

In October 1997, three of the Company's Egyptian subsidiaries entered into a secured, revolving credit facility with a group of banks. The facility provides for total commitments of $250 million, with availability determined by a borrowing base formula predicated upon those subsidiaries' oil and gas reserve quantities, forecast rates of production, and future oil and gas prices. The borrowing base is $196.6 million at December 31, 1999 and will be redetermined semi-annually. The total amount of commitments under the facility is currently scheduled to be reduced by set increments every six months, beginning May 17, 2000. The facility is presently secured solely by assets associated with the Company's Qarun and Khalda concessions and shares of stock of the Company's subsidiaries holding those concessions, with provisions that will permit the inclusion of other of the Company's Egyptian subsidiaries as borrowers with security interests on such subsidiaries' assets and shares of stock. Interest is assessed at LIBOR plus a margin of .375 percent, which is scheduled to increase to .625 percent on January 3, 2001; however, if the facility is extended the rate increase would occur two years from the end of the facility's extended term. A quarterly fee of .375 percent is payable on the available portion of the commitments, while a quarterly fee of .1875 percent is payable on the difference between the borrowing base and the total amount of commitments under the facility. The facility is scheduled to mature on January 3, 2003.

The DEKALB 9.875-percent notes mature on July 15, 2000 and are not redeemable prior to their maturity. The DEKALB notes are classified as long-term debt in the accompanying consolidated balance sheet because the Company has the ability and intent to refinance such amounts on a long-term basis through available borrowing capacity under the global credit facility.

In December 1997, Apache Finance Pty Ltd (Apache Finance Australia), the Company's Australian finance subsidiary, issued $170 million principal amount, $168.7 million net of discount, of senior unsecured 6.5-percent notes due December 15, 2007.

In March 1999, Apache Finance Australia issued $100 million principal amount, $99.3 million net of discount, of senior unsecured 7-percent notes due March 15, 2009.

In December 1999, Apache Finance Canada Corporation (Apache Finance Canada), the Company's Canadian finance subsidiary, issued $300 million principal amount, $296.9 million net of discount, of senior unsecured 7.75-percent notes due December 15, 2029.

The Apache Finance Australia and Apache Finance Canada notes are irrevocably and unconditionally guaranteed by Apache. Under certain conditions related to changes in relevant tax laws, Apache Finance Australia and Apache Finance Canada have the right to redeem the notes prior to maturity. In the case of the 6.5-percent notes, Apache Finance Australia may also redeem the notes at its option subject to an adjustment to keep investors whole. Also, upon certain changes in control, these notes would be subject to mandatory repurchase.

As of December 31, 1999 and 1998, the Company had approximately $16.8 million and $17.0 million, respectively, of unamortized costs associated with its various debt obligations. These costs are reflected as deferred charges in the accompanying consolidated balance sheet and are being amortized over the life of the related debt.

The indentures for the notes and debentures described above place certain restrictions on the Company, including limits on Apache's ability to incur debt secured by certain liens and its ability to enter into certain sale and leaseback transactions.

Aggregate Maturities of Debt

	(IN THOUSANDS)
2000	$ 6,158
2001	71,590
2002	224,882
2003	145,225
2004	--
Thereafter	1,437,953
	$1,885,808

5. INCOME TAXES

Income (loss) before income taxes is composed of the following:

	FOR THE YEAR ENDED DECEMBER 31,		
	1999	1998	1997
	(IN THOUSANDS)		
United States	$143,680	$(241,861)	$171,304
International	200,893	54,298	87,336
Total	$344,573	$(187,563)	$258,640

The total provision (benefit) for income taxes consists of the following:

	FOR THE YEAR ENDED DECEMBER 31,		
	1999	1998	1997
	(IN THOUSANDS)		
Current taxes:			
Federal	$ --	$ --	$ 300
Foreign	66,224	23,680	35,164
Deferred taxes	77,494	(81,856)	68,280
Total	$143,718	$(58,176)	$103,744

The deferred taxes shown above exclude amounts related to the compensation component of non-qualified stock options exercised in each year for which the benefit was credited directly to shareholders' equity.

A reconciliation of the federal statutory income tax amounts to the effective amounts is shown below:

	FOR THE YEAR ENDED DECEMBER 31,		
	1999	1998	1997
	(IN THOUSANDS)		
Statutory income tax	$120,601	$(65,647)	$ 90,524
State income tax, less federal benefit	8,482	38	3,987
Taxation of foreign operations	24,519	8,710	10,842
Decrease in Australia corporate income tax rate	(16,979)	--	--
U.S. taxes on repatriation of foreign earnings from Egypt	7,136	--	--
All other, net	(41)	(1,277)	(1,609)
	$143,718	$(58,176)	$103,744

The net deferred tax liability is comprised of the following:

	DECEMBER 31, 1999	DECEMBER 31, 1998
	(IN THOUSANDS)	
Deferred tax assets:		
Deferred income	$ (6,238)	$ (9,087)
Federal net operating loss carryforwards	(81,047)	(88,411)
State net operating loss carryforwards	(8,989)	(12,670)
Statutory depletion carryforwards	(4,075)	(3,720)
Alternative minimum tax credits	(9,141)	(9,141)
Accrued expenses and liabilities	(6,970)	(5,590)
Other	(13,332)	(5,374)
Total deferred tax assets	(129,792)	(133,993)
Valuation allowance	1,704	1,704
Net deferred tax assets	(128,088)	(132,289)
Deferred tax liabilities:		
Depreciation, depletion and amortization	485,428	391,624
Other	2,984	11,158
Total deferred tax liabilities	488,412	402,782
Net deferred income tax liability	$ 360,324	$ 270,493

U.S. deferred taxes have not been provided on foreign earnings totaling $343.5 million, which are permanently reinvested abroad. Presently, limited foreign tax credits are available to reduce the U.S. taxes on such amounts if repatriated.

At December 31, 1999, the Company had U.S. federal net operating loss carryforwards of $231.6 million that will expire beginning in 2000, and U.S. and foreign statutory depletion carryforwards totaling $10.9 million that can be carried forward indefinitely. The Company has alternative minimum tax (AMT) credit carryforwards of $9.1 million that can be carried forward indefinitely, but which can be used only to reduce regular tax liabilities in excess of AMT liabilities. The Company has investment and other tax credit carryforwards of $1.7 million that most likely will expire in 2000 and 2001, which have been fully reserved through a valuation allowance.

6. ADVANCES FROM GAS PURCHASERS

In July 1998, Apache received $71.8 million from a purchaser as an advance payment for future natural gas deliveries ranging from 6,726 MMBtu per day to 24,669 MMBtu per day, for a total of 45,330,949 MMBtu, over a ten-year period commencing August 1998. As a condition of the arrangement with the purchaser, Apache entered into three gas price swap contracts with a third party under which Apache became a fixed price payor for identical volumes at prices ranging from $2.34 per MMBtu to $2.56 per MMBtu. In addition, the purchaser pays Apache a monthly fee of $.08 per MMBtu on the contracted volumes. The net result of these related transactions is that gas delivered to the purchaser is reported as revenue at prevailing spot prices with Apache realizing a premium associated with the monthly fee paid by the purchaser.

In August 1997, Apache received $115.2 million from a purchaser as an advance payment for future natural gas deliveries of 20,000 MMBtu per day over a ten-year period commencing September 1997. As a condition of the arrangement with the purchaser, Apache entered into two gas price swap contracts with a third party under which Apache became a fixed price payor for identical volumes at average prices starting at

$2.19 per MMBtu in 1997 and escalating to $2.59 per MMBtu in 2007. In addition, the purchaser pays Apache a monthly fee of $.07 per MMBtu on the contracted volumes. The net result of these related transactions is that gas delivered to the purchaser is reported as revenue at prevailing spot prices with Apache realizing a premium associated with the monthly fee paid by the purchaser.

In December 1994, Apache received $67.4 million from a purchaser as an advance payment for future natural gas deliveries of 20,000 MMBtu per day over a six-year period commencing January 1995. As a condition of the arrangement with the purchaser, Apache entered into a gas price swap contract with a third party under which Apache became a fixed price payor for identical volumes at prices starting at $1.81 per MMBtu in 1995 and escalating at $.10 per MMBtu per year through 2000. The net result of these related transactions is that gas delivered to the purchaser is reported as revenue at prevailing spot prices with Apache realizing a $.05 per MMBtu premium associated with a monthly fee paid by the purchaser.

The Company, through its marketing subsidiaries, may purchase gas from third parties to satisfy gas delivery requirements under these arrangements. Contracted volumes relating to these arrangements are included in the Company's supplemental oil and gas disclosures.

These advance payments have been classified as advances from gas purchasers on the accompanying consolidated balance sheet and are being reduced as gas is delivered to the purchasers under the terms of the contracts. At December 31, 1999 and 1998, advances of $181.0 million and $205.5 million, respectively, were outstanding. Gas volumes delivered to the purchaser are reported as revenue at prices used to calculate the amount advanced, before imputed interest, plus or minus amounts paid or received by Apache applicable to the price swap agreements. Interest expense is recorded based on a rate of 8 percent on the 1998 and 1997 advances, and 9.5 percent on the 1994 advances.

7. CAPITAL STOCK

Common Stock Outstanding

	1999	1998	1997
Balance, beginning of year	97,769,122	93,304,541	90,058,797
Treasury shares acquired, net	(385,334)	(846,968)	(9,016)
Shares issued for:			
Public offering(1)	14,950,000	--	--
Shell Offshore acquisition	1,000,000	--	--
Conversion of 6-percent convertible debentures	--	5,070,914	--
Acquisition of oil and gas property interests	--	176,836	--
Conversion of 3.93-percent convertible notes	--	--	2,777,777
Dividend reinvestment plan	12,436	--	34,249
401(k) savings plan	24,988	10,477	182,742
Stock option plans	625,252	53,322	259,992
Balance, end of year	113,996,464	97,769,122	93,304,541

(1) In May 1999, Apache completed a public offering of approximately 15.0 million shares of Apache common stock for net proceeds of $444.3 million.

Net Income (Loss) Per Common Share -- A reconciliation of the components of basic and diluted net income (loss) per common share for the years ended December 31, 1999, 1998 and 1997 is presented in the table below:

	1999			1998			1997		
	INCOME	SHARES	PER SHARE	INCOME	SHARES	PER SHARE	INCOME	SHARES	PER SHARE
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)								
Basic:									
Income (loss) attributable to common stock...............	$186,406	107,936	$1.73	$(131,391)	98,066	$(1.34)	$154,896	90,677	$1.71
Effect of Dilutive Securities:									
Stock options................	--	418		--	--		--	519	
3.93%-convertible notes......	--	--		--	--		1,859	2,435	
6%-convertible debentures....	--	--		--	--		6,919	5,623	
Diluted:									
Income (loss) attributable to common stock, including assumed conversions........	$186,406	108,354	$1.72	$(131,391)	98,066	$(1.34)	$163,674	99,254	$1.65

The effect of stock options and the 6-percent convertible subordinated debentures were not included in the computation of diluted net loss per common share during 1998 and the effect of the Series C Preferred Stock was not included in the computation of diluted net income per common share during 1999 because to do so would have been antidilutive.

Stock Option Plans -- At December 31, 1999, officers and certain key employees had been granted options to purchase the Company's common stock under employee stock option plans adopted in 1990, 1995 and 1998 and under certain predecessor plans (collectively, the Stock Option Plans). Under the Stock Option Plans, the exercise price of each option equals the market price of Apache's common stock on the date of grant. Options generally become exercisable ratably over a four-year period and expire after 10 years. The Company may issue up to 6,485,231 shares of common stock under the Stock Option Plans, of which options to acquire 1,276,279 shares of common stock remained available for grant at December 31, 1999.

On October 31, 1996, the Company established the 1996 Performance Stock Option Plan (the Performance Plan) for substantially all full-time employees, excluding officers and certain key employees. Under the Performance Plan, the exercise price of each option equals the market price of Apache common stock on the date of grant. All options become exercisable after nine and one-half years and expire ten years from the date of grant; however, exercisability will be accelerated if share price goals of $50 and $60 per share are attained before January 1, 2000. These share price goals were not attained before January 1, 2000. Under the terms of the Performance Plan, no grants could be made after December 31, 1998.

A summary of the status of the plans described above as of December 31, 1999, 1998, and 1997, and changes during the years then ended, is presented in the table and narrative below (shares in thousands):

	1999		1998		1997	
	SHARES UNDER OPTION	WEIGHTED AVERAGE EXERCISE PRICE	SHARES UNDER OPTION	WEIGHTED AVERAGE EXERCISE PRICE	SHARES UNDER OPTION	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding, beginning of year	4,421	$32.15	3,629	$32.20	2,885	$30.82
Granted	849	37.41	1,243	32.53	1,228	34.59
Exercised	(533)	28.53	(20)	26.68	(145)	23.02
Forfeited	(213)	33.31	(431)	33.98	(339)	33.08
Outstanding, end of year(1)	4,524	33.49	4,421	32.15	3,629	32.20
Exercisable, end of year	1,392	30.64	1,223	28.86	729	26.96
Available for grant, end of year	1,276		2,006		603	
Weighted average fair value of options granted during the year(2)	$13.93		$10.87		$11.73	

The following table summarizes information about stock options covered by the plans described above that are outstanding at December 31, 1999 (shares in thousands):

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	NUMBER OF SHARES UNDER OUTSTANDING OPTIONS	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF SHARES UNDER EXERCISABLE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
$13.750 -- $19.625	37	1.63	$15.67	37	$15.67
21.000 -- 29.875	936	6.63	27.32	584	27.29
30.250 -- 35.500	3,003	7.66	34.21	725	33.48
36.000 -- 43.188	548	9.27	41.32	46	40.86
	4,524			1,392	

(1) Excludes 219,000, 449,600 and 496,900 shares as of December 31, 1999, 1998 and 1997, respectively, issuable under stock options assumed by Apache in connection with the 1996 merger with The Phoenix Resource Companies, Inc.

(2) The fair value of each option is estimated as of the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 1999, 1998 and 1997, respectively: (i) risk-free interest rates of 5.65, 5.46 and 6.33 percent; (ii) expected lives of five years for the Stock Option Plans, and 2.5 years for the Performance Plan; (iii) expected volatility of 33.87, 31.17 and 31.21 percent, and (iv) expected dividend yields of .75, .88 and .82 percent.

In May 1997, Apache's shareholders approved the 1996 Share Price Appreciation Plan (the Appreciation Plan) for officers and certain key employees. The Appreciation Plan provided for conditional grants denominated in shares of Apache common stock that would have vested upon attainment of share price goals of $50 and $60 per share before January 1, 2000. Since these share price goals were not attained before January 1, 2000, the Appreciation Plan terminated and all conditional grants were forfeited.

A summary of the status of the Appreciation Plan as of December 31, 1999, 1998 and 1997, and changes during the years then ended, is presented in the table and narrative below (shares in thousands):

	SHARES SUBJECT TO CONDITIONAL GRANTS		
	1999	1998	1997
Outstanding, beginning of year	1,709	1,719	--
Granted	--	190	1,965
Forfeited	(1,709)	(200)	(246)
Outstanding, end of year	--	1,709	1,719
Exercisable, end of year	--	--	--
Available for grant, end of year	--	--	281
Weighted average fair value of conditional grants(1)	$ --	$ 6.72	$13.50

The Company accounts for its stock-based compensation plans under APB Opinion No. 25 and related interpretations, under which no compensation cost has been recognized for the Stock Option Plans, the Performance Plan, or the Appreciation Plan. If compensation costs for these plans had been determined in accordance with SFAS No. 123, the Company's net income and net income per common share would approximate the following pro forma amounts:

	1999	1998	1997
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)		
Income (Loss) Attributable to Common Stock:			
As reported	$186,406	$(131,391)	$154,896
Pro forma	177,518	(141,306)	147,152
Net Income (Loss) per Common Share:			
Basic:			
As reported	$ 1.73	$ (1.34)	$ 1.71
Pro forma	1.64	(1.44)	1.62
Diluted:			
As reported	$ 1.72	$ (1.34)	$ 1.65
Pro forma	1.64	(1.44)	1.55

The pro forma amounts shown above may not be representative of future results, as the SFAS No. 123 method of accounting has not been applied to options granted prior to January 1, 1995.

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(1) The fair value of each conditional grant is estimated as of the date of grant using a Monte Carlo simulation with the following weighted-average assumptions used for grants in 1998 and 1997, respectively: (i) risk-free interest rate of 5.37 and 6.45 percent; (ii) expected volatility of 33.11 and 28.63 percent; and (iii) expected dividend yields of .82 and .84 percent.

In December 1998, the Company entered into a conditional stock grant agreement with an executive of the Company which would award up to 100,000 shares of the Company's common stock in five annual installments. Each installment has a five-year vesting period, 40 percent of the conditional grants will be paid in cash at the market value of the stock on the date of payment and the balance (60,000 shares) will be issued in Apache common stock.

Preferred Stock

The Company has five million shares of no par preferred stock authorized, of which 25,000 shares have been "designated" as Series A Junior Participating Preferred Stock (the Series A Preferred Stock), 100,000 shares have been designated as the 5.68 percent Series B Cumulative Preferred Stock (the Series B Preferred Stock) and 140,000 shares have been designated as Automatically Convertible Equity Securities, Conversion Preferred Stock, Series C (the Series C Preferred Stock). The shares of Series A Preferred Stock are authorized for issuance pursuant to certain rights that trade with Apache common stock outstanding and are reserved for issuance upon the exercise of the Rights as defined and discussed below.

Rights to Purchase Series A Preferred Stock -- In December 1995, the Company declared a dividend of one right (a Right) for each share of Apache common stock outstanding on January 31, 1996. Each Right entitles the registered holder to purchase from the Company one ten-thousandth (1/10,000) of a share of Series A Preferred Stock at a price of $100 per one ten-thousandth of a share, subject to adjustment. The Rights are exercisable 10 calendar days following a public announcement that certain persons or groups have acquired 20 percent or more of the outstanding shares of Apache common stock or 10 business days following commencement of an offer for 30 percent or more of the outstanding shares of Apache common stock. In addition, if a person or group becomes the beneficial owner of 20 percent or more of Apache's outstanding common stock (flip in event), each Right will become exercisable for shares of Apache's common stock at 50 percent of the then market price of the common stock. If a 20 percent shareholder of Apache acquires Apache, by merger or otherwise, in a transaction where Apache does not survive or in which Apache's common stock is changed or exchanged (flip over event), the Rights become exercisable for shares of the common stock of the company acquiring Apache at 50 percent of the then market price for Apache common stock. Any Rights that are or were beneficially owned by a person who has acquired 20 percent or more of the outstanding shares of Apache common stock and who engages in certain transactions or realizes the benefits of certain transactions with the Company will become void. The Company may redeem the Rights at $.01 per Right at any time until 10 business days after public announcement of a flip in event. The Rights will expire on January 31, 2006, unless earlier redeemed by the Company. Unless the Rights have been previously redeemed, all shares of Apache common stock issued by the Company after January 31, 1996 will include Rights. Unless and until the Rights become exercisable, they will be transferred with and only with the shares of Apache common stock.

Series B Preferred Stock -- In August 1998, Apache issued 100,000 shares ($100 million) of Series B Preferred Stock in the form of one million depositary shares, each representing one-tenth (1/10) of a share of Series B Preferred Stock, for net proceeds of $98.4 million. The Series B Preferred Stock has no stated maturity, is not subject to a sinking fund and is not convertible into Apache common stock or any other securities of the Company. Apache has the option to redeem the Series B Preferred Stock at $1,000 per share on or after August 25, 2008. Holders of the shares are entitled to receive cumulative cash dividends at an annual rate of $5.68 per depositary share when, and if, declared by Apache's board of directors.

Series C Preferred Stock -- In May 1999, Apache issued 140,000 shares ($217 million) of Series C Preferred Stock in the form of seven million depositary shares each representing one-fiftieth (1/50) of a share of Series C Preferred Stock, for net proceeds of $210.5 million. The Series C Preferred Stock is not subject to a sinking fund or mandatory redemption. On May 15, 2002, each depositary share will automatically convert, subject to adjustments, into not more than one share and not less than 0.8197 of a share of Apache common stock, depending on the market price of Apache common stock at that time.

At any time prior to May 15, 2002, holders of the depositary shares may elect to convert each of their shares, subject to adjustments, into not less than 0.8197 of a share of Apache common stock (5,737,900 common shares). Holders of the shares are entitled to receive cumulative cash dividends at an annual rate of $2.015 per depositary share when, and if, declared by Apache's board of directors.

Comprehensive Income -- In the first quarter of 1998, the Company adopted SFAS No. 130, "Reporting Comprehensive Income," which established standards for reporting components of comprehensive income. Components of accumulated other comprehensive income (loss) consist of the following (in thousands):

	CURRENCY TRANSLATION ADJUSTMENTS	UNREALIZED GAIN ON MARKETABLE SECURITIES	ACCUMULATED OTHER COMPREHENSIVE INCOME
December 31, 1997	$(20,459)	$ --	$(20,459)
December 31, 1998	$(33,204)	$ --	$(33,204)
December 31, 1999	$ (8,661)	$ 215	$ (8,446)

The unrealized gain on marketable securities at December 31, 1999 is net of income taxes of $129,000. The currency translation adjustments are not adjusted for income taxes as they relate to an indefinite investment in a non-U.S. subsidiary.

8. NON-CASH INVESTING AND FINANCING ACTIVITIES

A summary of non-cash investing and financing activities is presented below:

In June 1999, the Company acquired certain oil and gas interests from British-Borneo for cash and the assumption of certain liabilities. The accompanying financial statements include the amounts detailed in Note 2.

In May 1999, the Company issued one million shares of Apache common stock to Shell Offshore in connection with the transaction discussed in Note 2.

In December 1998 and January 1999, the Company acquired certain oil and gas interests from subsidiaries of Novus for cash and the assumption of certain liabilities. The accompanying financial statements include the amounts detailed in Note 2.

In June 1998, Apache formed a strategic alliance with Cinergy Corp. (Cinergy) and sold its 57 percent interest in ProEnergy for 771,258 shares of Cinergy common stock valued at $26.5 million.

In March 1998, Apache acquired certain oil and gas property interests for approximately 177,000 shares of Apache common stock valued at $6.1 million.

In January 1998, approximately 90 percent, or $155.6 million principal amount, of the Company's 6-percent convertible subordinated debentures was converted into approximately 5.1 million shares of Apache common stock at a conversion price of $30.68 per share.

In November 1997, Apache acquired certain assets through the Ampolex Group Transaction for cash and the assumption of certain liabilities. The accompanying financial statements include the amounts detailed in Note 2.

In November 1997, the Company's $75 million principal amount of 3.93-percent convertible notes were converted into approximately 2.8 million shares of Apache common stock at a conversion price of $27 per share.

Supplemental Disclosure of Cash Flow Information:

	1999	1998	1997
	(IN THOUSANDS)		
Cash paid during the year for:			
Interest, net of amounts capitalized	$70,691	$71,968	$63,633
Income and other taxes, net of refunds	66,224	23,680	35,464

FOR THE YEAR ENDED DECEMBER 31,

9. FINANCIAL INSTRUMENTS AND OFF-BALANCE-SHEET RISK

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 1999 and 1998.

	1999		1998	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	(IN THOUSANDS)			
Cash and cash equivalents	$ 13,171	$ 13,171	$ 14,537	$ 14,537
Long-term debt:				
Bank debt	312,590	312,590	262,780	262,780
Commercial paper	--	--	59,000	59,000
7.95-percent notes	178,560	176,760	178,544	195,624
7.625-percent debentures	149,175	136,628	149,175	147,749
7.625-percent notes	149,063	144,075	--	--
7-percent notes	148,291	135,975	148,246	148,410
7.375-percent debentures	147,993	136,755	147,988	152,055
9.25-percent notes	99,882	104,170	99,842	109,290
7.7-percent notes	99,646	95,470	99,642	105,660
Money market lines of credit	6,158	6,158	15,500	15,500
Apache Finance Australia 6.5-percent notes	168,916	156,689	168,816	171,530
Apache Finance Australia 7-percent notes	99,376	95,238	--	--
DEKALB 9.875-percent notes	29,225	29,655	29,225	30,589
Apache Finance Canada 7.75-percent notes	296,933	283,380	--	--
Hedging financial instruments:				
Commodity price swaps:				
-- Natural gas(1)	--	11,073	--	(13,066)
-- Oil	--	(9,369)	--	3
Commodity collars:				
-- Natural gas	183	846	--	--
-- Oil	425	(4,890)	--	--

(1) The fair value of natural gas price swaps at December 31, 1999 and 1998 reflects fixed-to-floating price swaps where there is an offsetting position with a physical contract. See Commodity Price Hedges below.

The following methods and assumptions were used to estimate the fair value of the financial instruments summarized in the table above. The carrying values of trade receivables and trade payables included in the accompanying consolidated balance sheet approximated market value at December 31, 1999 and 1998.

Cash and Cash Equivalents -- The carrying amounts approximated fair value due to the short maturity of these instruments.

Long-Term Debt -- The fair values of the 7.625-percent debentures and the Apache Finance Australia 7-percent notes are based upon estimates provided to the Company by independent investment banking firms. The fair values of all other notes and debentures are based on the quoted market prices. The carrying amount of the bank debt, commercial paper and money market lines of credit approximated fair value because the interest rates are variable and reflective of market rates.

Commodity Price Hedges -- Apache periodically enters into commodity derivative contracts and fixed-price physical contracts to manage its exposure to oil and gas price volatility. Commodity derivatives contracts, which are usually placed with major financial institutions that the Company believes are minimal credit risks, may take the form of futures contracts, swaps or options. The derivative contracts call for Apache to receive, or make, payments based upon the differential between a fixed and a variable commodity price as specified in the contract. As a result of these activities, Apache recognized hedging losses of $6.7 million in 1999 and hedging gains of $1.3 million and $14.5 million in 1998 and 1997, respectively. The hedging gains and losses are included in oil and gas production revenues in the statement of consolidated operations.

The following table and note thereto cover the Company's pricing and notional volumes on open commodity derivative contracts as of December 31, 1999:

	2000	2001	2002	2003	2004	THEREAFTER
Natural Gas Swap Positions (FERC indexes):						
Pay fixed price -- January 2000 to July 2008 (thousand MMBtu/d)(1)	50	30	30	30	30	32
Average swap price, per MMBtu(1)	$ 2.27	$ 2.27	$ 2.31	$2.35	$2.39	$2.51
Oil Swap Positions (NYMEX):						
Receive fixed price -- January to August 2000 (Mbbl/d)	5	--	--	--	--	--
Swap price, per bbl	$19.42	--	--	--	--	--
Oil Swap Positions (NYMEX):						
Receive fixed price -- January 2000 to June 2002 (Mbbl/d)	10	9	8	--	--	--
Average swap price, per bbl	$20.52	$18.82	$18.45	--	--	--
Oil Collar Positions (NYMEX):						
Volume -- January to August 2000 (Mbbl/d)	13	--	--	--	--	--
Average ceiling price, per bbl	$23.00	--	--	--	--	--
Average floor price, per bbl	$17.73	--	--	--	--	--
Gas Collar Positions (NYMEX):						
Volume -- January to August 2000 (thousand MMBtu/d)	80	--	--	--	--	--
Average ceiling price, per MMBtu	$ 3.31	--	--	--	--	--
Average floor price, per MMBtu	$ 2.06	--	--	--	--	--

(1) The Company has various contracts to supply gas at fixed prices. In order to lock in a margin on a portion of the volumes, the Company is a fixed price payor on swap transactions. The average physical contract price ranges from $2.32 in 2000 to $2.56 in 2008. The fair value of these hedges was $11.1 million at December 31, 1999, all of which is related to the arrangements discussed in Note 6.

10. COMMITMENTS AND CONTINGENCIES

Litigation -- The Company is involved in litigation and is subject to governmental and regulatory controls arising in the ordinary course of business. It is the opinion of the Company's management that all claims and litigation involving the Company are not likely to have a material adverse effect on its financial position or results of operations.

Environmental -- Apache, as an owner and operator of oil and gas properties, is subject to various federal, state, local and foreign country laws and regulations relating to discharge of materials into, and protection of, the environment. These laws and regulations may, among other things, impose liability on the lessee under an oil and gas lease for the cost of pollution clean-up resulting from operations and subject the lessee to liability for pollution damages. Apache maintains insurance coverage, which it believes, is customary in the industry, although it is not fully insured against all environmental risks.

As part of the Company's due diligence review for acquisitions, Apache conducts an extensive environmental evaluation of purchased properties. Depending on the extent of an identified environmental problem, the Company may exclude a property from the acquisition, require the seller to remediate the property to Apache's satisfaction, or agree to assume liability for remediation of the property. As of December 31, 1999, Apache had a reserve for environmental remediation of approximately $7.7 million. The Company is not aware of any environmental claims existing as of December 31, 1999, which have not been provided for or would otherwise have a material impact on its financial position or results of operations. There can be no assurance, however, that current regulatory requirements will not change, or past non-compliance with environmental laws will not be discovered on the Company's properties.

International Commitments -- The Company, through its subsidiaries, has acquired or has been conditionally or unconditionally granted exploration rights in Australia, Egypt, China and Poland. In order to comply with the contracts and agreements granting these rights, the Company, through various wholly-owned subsidiaries, is committed to expend approximately $95 million through 2003.

Retirement and Deferred Compensation Plans -- The Company provides a 401(k) savings plan for employees which allows participating employees to elect to contribute up to 12 percent of their salaries, with Apache making matching contributions up to a maximum of six percent of each employee's salary. In addition, the Company annually contributes six percent of each participating employee's compensation, as defined, to a money purchase retirement plan. The 401(k) plan and the money purchase retirement plan are subject to certain annually-adjusted, government-mandated restrictions which limit the amount of each employee's contributions.

For certain eligible employees, the Company also provides a non-qualified retirement/savings plan which allows the deferral of up to 50 percent of each such employee's salary, and which accepts employee contributions and the Company's matching contributions in excess of the above-referenced restrictions on the 401(k) savings plan and money purchase retirement plan. Additionally, Apache Energy Limited and Apache Canada Ltd. maintain separate retirement plans, as required under the laws of Australia and Canada, respectively.

Vesting in the Company's contributions to the 401(k) savings plan, the money purchase retirement plan and the non-qualified retirement/savings plan occurs at the rate of 20 percent per year. Total expenses under all plans were $7.8 million, $7.3 million and $6.3 million for 1999, 1998 and 1997, respectively. The unfunded liability for all plans has been accrued in the consolidated balance sheet.

China -- On May 28, 1999, Apache China Corporation LDC (Apache China, an indirect wholly owned subsidiary of the Company) sent a notice of default to XCL-China, Ltd. (XCL-China), a participant with Apache China in the Zhao Dong Block offshore the People's Republic of China, and its parent company, XCL, Ltd., for the failure to pay approximately $10 million of costs pursuant to the agreements governing the project. Prior to the expiration of the cure period, XCL-China and XCL, Ltd. filed petitions initiating arbitration proceedings against Apache China. The actions seek to disallow approximately $17 million in costs expended by Apache China related to developing the Zhao Dong Block, including the $10 million in costs billed by Apache China to XCL-China that have not been paid. In addition, XCL-China has advised Apache China of XCL-China's intent to seek the removal of Apache China as operator of the Block. Apache China has denied the allegations made by XCL-China in its petition and is vigorously contesting them. On November 30, 1999 the arbitration proceedings were stayed in connection with the bankruptcy proceeding described below.

On June 25, 1999, Apache China filed a petition in U.S. Bankruptcy Court in Opelousas, Louisiana, to place XCL-China into involuntary bankruptcy under Chapter 7 of the Bankruptcy Code on account of XCL-China's failure to pay its share of costs related to development of the Zhao Dong Block. On December 21, 1999, the holders of XCL, Ltd.'s senior secured notes, acting through their Trustee, exercised their remedial rights under their indenture and removed the existing Board of Directors of XCL-China, electing a new Board. The new Board of Directors of XCL-China voted to withdraw XCL-China's opposition to Apache China's Chapter 7 bankruptcy petition filed against XCL-China and on December 22, 1999 obtained an order of the Court converting the proceeding into a voluntary Chapter 11 bankruptcy proceeding.

Apache China has entered into negotiations with the Chinese authorities concerning the terms and conditions of the development of the Zhao Dong Block including, among other things the portion of XCL-China's future development costs to be paid by the Chinese. Apache China is prepared to move forward as soon as these negotiations are satisfactorily concluded.

Lease Commitments -- The Company has leases for buildings, facilities and equipment with varying expiration dates through 2007. Net rental expense was $11.5 million, $8.1 million and $5.8 million for 1999, 1998 and 1997, respectively.

As of December 31, 1999, minimum rental commitments under long-term operating leases, net of sublease rentals, and long-term pipeline transportation commitments, ranging from one to 24 years, are as follows:

	NET MINIMUM COMMITMENTS (IN THOUSANDS)
2000	$ 16,891
2001	14,591
2002	14,029
2003	13,693
2004	13,200
Thereafter	70,579
	$142,983

Partnership in Western Australia -- Apache is a partner in a partnership formed to construct and operate a 62-mile pipeline from Varanus Island to onshore facilities in Western Australia. Apache has a 50 percent interest in the partnership and has guaranteed 50 percent of the partnership's share of any related debt incurred by the partnership up to the time certain documentation related to the partnership's debt is finalized. Thereafter, the partnership debt will be non-recourse to Apache. The Company has dedicated the production volumes of six take-or-pay gas sales contracts to the pipeline. Apache will be required to prepay transportation tariffs in the event Apache receives payments under the take-or-pay provisions of these contracts, or in the event the Company fails to deliver the volumes required by the contracts and requested by the purchasers.

11. TRANSACTIONS WITH RELATED PARTIES AND MAJOR CUSTOMERS

Strategic Alliance with Cinergy Corp. -- In June 1998, Apache formed a strategic alliance with Cinergy to market substantially all the Company's natural gas production from North America and sold its 57 percent interest in ProEnergy for 771,258 shares of Cinergy common stock subsequently sold for $26.1 million. ProEnergy, renamed Cinergy Marketing and Trading LLC, will continue to market Apache's North American natural gas production for 10 years, with an option to terminate after six years, under an amended and restated gas purchase agreement effective July 1, 1998. During this period, Apache is generally obligated to deliver most of its North American gas production to Cinergy and, under certain circumstances, reimburse Cinergy if certain gas throughput thresholds are not met. Accordingly, Apache recorded a deferred gain of $20.0 million, subject to adjustment, on the sale of ProEnergy that is being amortized over six years.

Related Parties -- F.H. Merelli, a member of the Company's board of directors since July 1997, is chairman, president and chief executive officer of Key Production Company, Inc. (Key). In the normal course of business, Key paid to Apache during 1999 approximately $3.0 million for Key's proportionate share of drilling and workover costs, mineral interests and routine expenses relating to 380 oil and gas wells in which Key owns interests and for which Apache is the operator. Key received approximately $6.3 million in 1999 for its proportionate share of revenues from such interests, of which approximately $4.2 million was paid directly to Key by Apache or related entities.

Major Purchasers -- In 1999, purchases by Cinergy and the Egyptian General Petroleum Corporation (EGPC) accounted for 29 percent and 21 percent of the Company's oil and gas production revenues, respectively. In 1998, purchases by Cinergy/ProEnergy and EGPC accounted for 38 percent and 17 percent of the Company's oil and gas production revenues, respectively. In 1997, purchases by ProEnergy and EGPC accounted for 40 percent and 13 percent of the Company's oil and gas production revenues.

Concentration of Credit Risk -- The Company's revenues are derived principally from uncollateralized sales to customers in the oil and gas industry; therefore, customers may be similarly affected by changes in economic and other conditions within the industry. Apache has not experienced significant credit losses on such sales. Sales of natural gas by Apache to Cinergy are similarly uncollateralized.

12. BUSINESS SEGMENT INFORMATION

Apache has five reportable segments which are primarily in the business of natural gas and crude oil exploration and production. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company evaluates performance based on profit or loss from oil and gas operations before income and expense items incidental to oil and gas operations and income taxes. Apache's reportable segments are managed separately because of their geographic locations. Financial information by operating segment is presented below:

	UNITED STATES	CANADA	EGYPT	AUSTRALIA	OTHER INTERNATIONAL	TOTAL
				(IN THOUSANDS)		
1999						
Oil and Gas Production						
Revenues	$ 699,039	$ 86,901	$235,935	$118,524	$ 1,937	$1,142,336
Operating Expenses:						
Depreciation, depletion and amortization	290,771	34,560	74,736	41,716	1,061	442,844
Operating costs	151,090	19,962	26,444	25,216	849	223,561
Gathering, processing and marketing, net	(2,195)	--	--	--	--	(2,195)
Operating Income	$ 259,373	$ 32,379	$134,755	$ 51,592	$ 27	478,126
Other Income (Expense):						
Equity in income of affiliates						153
Other revenues						2,454
Administrative, selling and other						(53,894)
Financing costs, net						(82,266)
Income Before Income Taxes						$ 344,573
Total Long-Lived Assets	$2,548,413	$861,829	$845,873	$728,592	$131,151	$5,115,858
Total Assets	$2,760,163	$894,592	$908,502	$782,520	$156,766	$5,502,543
Additions to Long-Lived Assets	$1,053,285	$577,455	$111,534	$175,848	$ 28,286	$1,946,408

	UNITED STATES	CANADA	EGYPT	AUSTRALIA	OTHER INTERNATIONAL	TOTAL
			(IN THOUSANDS)			
1998						
Oil and Gas Production Revenues	$ 496,238	$ 63,620	$129,123	$ 70,057	$ --	$ 759,038
Operating Expenses:						
Depreciation, depletion and amortization						
Recurring	256,507	30,514	59,825	35,961	--	382,807
Additional	243,178	--	--	--	--	243,178
Operating costs	154,264	17,216	23,436	16,638	--	211,554
Gathering, processing and marketing, net	(2,924)	--	--	--	--	(2,924)
Operating Income (Loss)	$ (154,787)	$ 15,890	$ 45,862	$ 17,458	$ --	(75,577)
Other Income (Expense):						
Equity in loss of affiliates						(1,558)
Other revenues						840
Administrative, selling and other						(40,731)
Financing costs, net						(70,537)
Loss Before Income Taxes						$ (187,563)
Total Long-Lived Assets	$1,892,020	$290,341	$809,075	$592,979	$143,126	$3,727,541
Total Assets	$2,046,628	$305,238	$853,561	$633,981	$156,654	$3,996,062
Additions to Long-Lived Assets	$ 274,395	$ 73,327	$219,162	$145,037	$ 70,251	$ 782,172
1997						
Oil and Gas Production Revenues	$ 740,037	$ 61,328	$132,493	$ 49,915	$ --	$ 983,773
Operating Expenses:						
Depreciation, depletion and amortization	292,531	26,028	43,945	18,912	--	381,416
Operating costs	187,753	16,687	16,212	10,718	--	231,370
Gathering, processing and marketing, net	(2,672)	--	--	--	--	(2,672)
Operating Income	$ 262,425	$ 18,613	$ 72,336	$ 20,285	$ --	373,659
Other Income (Expense):						
Equity in loss of affiliates						(1,683)
Other revenues						(2,768)
Administrative, selling and other						(38,243)
Financing costs, net						(72,325)
Income Before Income Taxes						$ 258,640
Total Long-Lived Assets	$2,243,489	$270,604	$649,758	$483,817	$ 85,517	$3,733,185
Total Assets	$2,492,233	$285,214	$687,784	$582,487	$ 90,915	$4,138,633
Additions to Long-Lived Assets	$ 409,167	$ 69,881	$205,001	$335,986	$ 29,365	$1,049,400

APACHE CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL OIL AND GAS DISCLOSURES
(UNAUDITED)

Oil and Gas Operations -- The following table sets forth revenue and direct cost information relating to the Company's oil and gas exploration and production activities. Apache has no long-term agreements to purchase oil or gas production from foreign governments or authorities.

	UNITED STATES	CANADA	EGYPT	AUSTRALIA	IVORY COAST	TOTAL
			(IN THOUSANDS)			
1999						
Oil and gas production revenues	$699,039	$86,901	$235,935	$118,524	$1,937	$1,142,336
Operating costs:						
Depreciation, depletion and amortization	280,033	33,671	74,695	40,952	309	429,660
Lease operating expenses	125,452	18,095	26,444	20,321	849	191,161
Production taxes	23,212	--	--	4,895	--	28,107
Income tax	101,378	15,677	64,702	18,848	273	200,878
	530,075	67,443	165,841	85,016	1,431	849,806
Results of operations	$168,964	$19,458	$ 70,094	$ 33,508	$ 506	$ 292,530
Amortization rate per boe(1)	$ 6.10	$ 4.54	$ 5.25	$ 4.12	$ 1.72	$ 5.57
1998						
Oil and gas production revenues	$496,238	$63,620	$129,123	$ 70,057	$ --	$ 759,038
Operating costs:						
Depreciation, depletion and amortization						
Recurring	246,994	29,967	59,825	35,219	--	372,005
Additional	243,178	--	--	--	--	243,178
Lease operating expenses	129,585	16,419	23,436	13,472	--	182,912
Production taxes	21,503	--	--	3,166	--	24,669
Income tax (benefit)	(54,383)	7,686	22,014	6,552	--	(18,131)
	586,877	54,072	105,275	58,409	--	804,633
Results of operations	$(90,639)	$ 9,548	$ 23,848	$ 11,648	$ --	$ (45,595)
Amortization rate per boe(1)	$ 6.21	$ 4.03	$ 5.22	$ 4.86	$ --	$ 5.66
1997						
Oil and gas production revenues	$740,037	$61,328	$132,493	$ 49,915	$ --	$ 983,773
Operating costs:						
Depreciation, depletion and amortization	283,866	25,592	43,945	18,210	--	371,613
Lease operating expenses	151,236	16,122	16,212	7,226	--	190,796
Production taxes	33,539	--	--	3,492	--	37,031
Income tax	101,774	8,748	34,721	7,555	--	152,798
	570,415	50,462	94,878	36,483	--	752,238
Results of operations	$169,622	$10,866	$ 37,615	$ 13,432	$ --	$ 231,535
Amortization rate per boe(1)	$ 6.12	$ 3.96	$ 5.47	$ 5.23	$ --	$ 5.77

(1) Amortization rate per boe reflects only depreciation, depletion and amortization (DD&A) of capitalized costs of proved oil and gas properties (and excludes the additional DD&A recorded in 1998).

SUPPLEMENTAL OIL AND GAS DISCLOSURES -- (CONTINUED)
(UNAUDITED)

Costs Not Being Amortized -- The following table sets forth a summary of oil and gas property costs not being amortized at December 31, 1999, by the year in which such costs were incurred:

	TOTAL	1999	1998	1997	1996 AND PRIOR
			(IN THOUSANDS)		
Property acquisition costs	$576,817	$260,434	$ 64,764	$ 84,469	$167,150
Exploration and development	292,291	85,611	92,029	70,636	44,015
Total	$869,108	$346,045	$156,793	$155,105	$211,165

Capitalized Costs Incurred -- The following table sets forth the capitalized costs incurred in oil and gas producing activities:

	UNITED STATES	CANADA	EGYPT	AUSTRALIA	IVORY COAST	OTHER INTERNATIONAL	TOTAL
				(IN THOUSANDS)			
1999							
Acquisition of proved properties(1)	$ 801,157	$503,771	$ --	$ 86,278	$ --	$ --	$1,391,206
Acquisition of unproved properties	9,044	5,464	--	--	--	--	14,508
Exploration	29,207	14,218	24,071	26,866	--	17,097	111,459
Development	179,225	26,009	35,737	34,110	2,553	1,738	279,372
Capitalized interest	22,031	3,176	7,904	8,289	619	3,703	45,722
Property sales	(106,122)	(3,872)	--	--	(45,232)	--	(155,226)
	$ 934,542	$548,766	$ 67,712	$155,543	$(42,060)	$ 22,538	$1,687,041
1998							
Acquisition of proved properties(1)	$ 13,240	$ 1,034	$ 2,249	$ 41,608	$ 271	$ --	$ 58,402
Acquisition of unproved properties	20,819	5,458	--	--	--	--	26,277
Exploration	27,482	20,054	65,696	39,578	--	30,563	183,373
Development	174,449	44,245	39,735	40,521	23,527	9,293	331,770
Capitalized interest	15,390	1,710	19,226	6,354	829	5,770	49,279
Property sales	(123,861)	(4,943)	--	--	--	(12,645)	(141,449)
	$ 127,519	$ 67,558	$126,906	$128,061	$ 24,627	$ 32,981	$ 507,652
1997							
Acquisition of proved properties(1)	$ 21,927	$ 11,635	$ --	$192,372	$ --	$ --	$ 225,934
Acquisition of unproved properties	34,487	6,061	7,744	7,975	--	136	56,403
Exploration	55,997	21,270	41,910	18,744	67	24,199	162,187
Development	268,788	28,932	90,284	41,844	489	--	430,337
Capitalized interest	15,743	1,406	12,626	2,239	521	3,958	36,493
Property sales	(24,609)	(5,525)	--	--	--	--	(30,134)
	$ 372,333	$ 63,779	$152,564	$263,174	$ 1,077	$ 28,293	$ 881,220

(1) Acquisition of proved properties includes unevaluated costs of $256.4 million, $15.7 million and $53.8 million for transactions completed in 1999, 1998 and 1997, respectively.

SUPPLEMENTAL OIL AND GAS DISCLOSURES -- (CONTINUED)
(UNAUDITED)

Capitalized Costs -- The following table sets forth the capitalized costs and associated accumulated depreciation, depletion and amortization, including impairments, relating to the Company's oil and gas production, exploration and development activities:

	UNITED STATES	CANADA	EGYPT	AUSTRALIA	IVORY COAST	OTHER INTERNATIONAL	TOTAL
				(IN THOUSANDS)			
1999							
Proved properties.......	$ 5,291,247	$ 939,979	$ 543,132	$ 585,204	$ --	$ 50,225	$ 7,409,787
Unproved properties.....	211,576	156,600	215,582	155,160	--	130,190	869,108
	5,502,823	1,096,579	758,714	740,364	--	180,415	8,278,895
Accumulated DD&A........	(2,997,167)	(260,573)	(174,431)	(131,296)	--	(50,225)	(3,613,692)
	$ 2,505,656	$ 836,006	$ 584,283	$ 609,068	$ --	$130,190	$ 4,665,203
1998							
Proved properties.......	$ 4,430,504	$ 480,836	$ 454,434	$ 465,009	$21,409	$ 49,671	$ 5,901,863
Unproved properties.....	137,775	21,996	236,568	119,812	13,497	108,206	637,854
	4,568,279	502,832	691,002	584,821	34,906	157,877	6,539,717
Accumulated DD&A........	(2,717,135)	(213,615)	(108,491)	(96,229)	--	(49,671)	(3,185,141)
	$ 1,851,144	$ 289,217	$ 582,511	$ 488,592	$34,906	$108,206	$ 3,354,576

APACHE CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL OIL AND GAS DISCLOSURES -- (CONTINUED)
(UNAUDITED)

Oil and Gas Reserve Information -- Proved oil and gas reserve quantities are based on estimates prepared by the Company's engineers in accordance with guidelines established by the Securities and Exchange Commission (SEC). The Company's estimates of proved reserve quantities of its U.S., Canadian and international properties are subject to review by Ryder Scott Company, L.P. Petroleum Consultants, independent petroleum engineers. In 1996, the proved reserve quantities of certain of the Company's Egyptian properties were subject to review by Netherland, Sewell & Associates, Inc., independent petroleum engineers.

There are numerous uncertainties inherent in estimating quantities of proved reserves and projecting future rates of production and timing of development expenditures. The following reserve data represents estimates only and should not be construed as being exact.

	CRUDE OIL, CONDENSATE AND NATURAL GAS LIQUIDS (THOUSANDS OF BARRELS)					
	UNITED STATES	CANADA	EGYPT	AUSTRALIA	IVORY COAST	TOTAL
PROVED DEVELOPED RESERVES:						
December 31, 1996	129,551	10,351	38,213	5,106	--	183,221
December 31, 1997	133,035	11,313	42,714	15,690	393	203,145
December 31, 1998	107,306	10,962	33,705	24,674	1,352	177,999
December 31, 1999	186,962	50,401	30,719	33,887	--	301,969
TOTAL PROVED RESERVES:						
Balance December 31, 1996	158,923	10,366	46,579	19,426	--	235,294
Extensions, discoveries and other additions	32,530	2,677	10,492	12,814	393	58,906
Purchases of minerals in-place	1,818	278	--	9,116	--	11,212
Revisions of previous estimates	(7,283)	(379)	4,696	--	--	(2,966)
Production	(15,448)	(1,003)	(7,071)	(1,612)	--	(25,134)
Sales of properties	(2,923)	(611)	--	--	--	(3,534)
Balance December 31, 1997	167,617	11,328	54,696	39,744	393	273,778
Extensions, discoveries and other additions	36,655	1,917	5,906	11,765	930	57,173
Purchases of minerals in-place	4,768	59	--	1,214	--	6,041
Revisions of previous estimates	(40,868)	(155)	4,739	(3,121)	29	(39,376)
Production	(13,262)	(988)	(10,188)	(3,225)	--	(27,663)
Sales of properties	(18,726)	(219)	--	--	--	(18,945)
Balance December 31, 1998	136,184	11,942	55,153	46,377	1,352	251,008
Extensions, discoveries and other additions	23,370	1,114	5,327	4,056	--	33,867
Purchases of minerals in-place	76,493	70,640	--	4,686	--	151,819
Revisions of previous estimates	27,615	772	(9,815)	3,225	(30)	21,767
Production	(17,836)	(1,344)	(11,589)	(3,878)	(13)	(34,660)
Sales of properties	(7,169)	(81)	--	--	(1,309)	(8,559)
Balance December 31, 1999	238,657	83,043	39,076	54,466	--	415,242

	NATURAL GAS (MILLIONS OF CUBIC FEET)						TOTAL (THOUSAND BARRELS OF OIL EQUIVALENT)
	UNITED STATES	CANADA	EGYPT	AUSTRALIA	IVORY COAST	TOTAL	
PROVED DEVELOPED RESERVES:							
December 31, 1996	1,087,694	274,498	6,977	66,174	--	1,435,343	422,445
December 31, 1997	1,009,080	326,237	8,825	183,962	26,208	1,554,312	462,197
December 31, 1998	869,464	322,576	4,790	173,764	79,515	1,450,109	419,684
December 31, 1999	1,004,844	397,704	106,830	364,369	--	1,873,747	614,260
TOTAL PROVED RESERVES:							
Balance December 31, 1996	1,201,552	280,417	72,182	71,153	--	1,625,304	506,178
Extensions, discoveries and other additions	187,270	68,877	58,685	42,936	26,208	383,976	122,902
Purchases of minerals in-place	13,295	13,897	--	136,817	--	164,009	38,547
Revisions of previous estimates	(56,632)	4,257	13,584	--	--	(38,791)	(9,431)
Production	(179,796)	(32,740)	(205)	(9,496)	--	(222,237)	(62,174)
Sales of properties	(33,940)	(6,500)	--	--	--	(40,440)	(10,274)
Balance December 31, 1997	1,131,749	328,208	144,246	241,410	26,208	1,871,821	585,748

Extensions, discoveries and other additions	146,112	60,660	31,201	267,533	50,406	555,912	149,825
Purchases of minerals in-place	25,188	599	--	27,373	--	53,160	14,901
Revisions of previous estimates	(43,778)	(7,812)	19,550	(76)	2,901	(29,215)	(44,245)
Production	(157,701)	(38,643)	(567)	(18,478)	--	(215,389)	(63,561)
Sales of properties	(52,995)	(11,068)	--	--	--	(64,063)	(29,622)
Balance December 31, 1998	1,048,575	331,944	194,430	517,762	79,515	2,172,226	613,046
Extensions, discoveries and other additions	34,804	13,015	11,725	10,837	--	70,381	45,597
Purchases of minerals in-place	393,716	99,535	--	72,770	--	566,021	246,156
Revisions of previous estimates	27,221	1,835	(44,297)	40	(4,296)	(19,497)	18,518
Production	(168,428)	(36,424)	(5,809)	(27,820)	(1,003)	(239,484)	(74,574)
Sales of properties	(121,001)	(2,852)	--	--	(74,216)	(198,069)	(41,571)
Balance December 31, 1999	1,214,887	407,053	156,049	573,589	--	2,351,578	807,172

SUPPLEMENTAL OIL AND GAS DISCLOSURES -- (CONTINUED)
(UNAUDITED)

Future Net Cash Flows -- Future cash inflows are based on year-end oil and gas prices except in those instances where future natural gas or oil sales are covered by physical or derivative contract terms providing for higher or lower amounts. Operating costs, production and ad valorem taxes and future development costs are based on current costs with no escalation.

The following table sets forth unaudited information concerning future net cash flows for oil and gas reserves, net of income tax expense. Income tax expense has been computed using expected future tax rates and giving effect to tax deductions and credits available, under current laws, and which relate to oil and gas producing activities. This information does not purport to present the fair market value of the Company's oil and gas assets, but does present a standardized disclosure concerning possible future net cash flows that would result under the assumptions used.

	UNITED STATES	CANADA (1)	EGYPT	AUSTRALIA	IVORY COAST	TOTAL
			(IN THOUSANDS)			
1999						
Cash inflows	$ 8,559,045	$2,635,191	$1,529,575	$2,227,818	$ --	$14,951,629
Production and development costs	(2,820,412)	(845,373)	(254,287)	(639,441)	--	(4,559,513)
Income tax expense	(1,527,499)	(427,930)	(428,608)	(310,472)	--	(2,694,509)
Net cash flows	4,211,134	1,361,888	846,680	1,277,905	--	7,697,607
10 percent discount rate	(1,815,462)	(667,085)	(252,379)	(387,320)	--	(3,122,246)
Discounted future net cash flows(2)	$ 2,395,672	$ 694,803	$ 594,301	$ 890,585	$ --	$ 4,575,361
1998						
Cash inflows	$ 3,523,294	$ 763,349	$ 877,861	$1,208,235	$129,965	$ 6,502,704
Production and development costs	(1,496,382)	(240,166)	(263,199)	(479,627)	(28,718)	(2,508,092)
Income tax expense	(327,470)	(127,405)	(166,751)	(156,409)	(29,211)	(807,246)
Net cash flows	1,699,442	395,778	447,911	572,199	72,036	3,187,366
10 percent discount rate	(675,035)	(165,220)	(127,723)	(209,448)	(45,889)	(1,223,315)
Discounted future net cash flows(2)	$ 1,024,407	$ 230,558	$ 320,188	$ 362,751	$ 26,147	$ 1,964,051
1997						
Cash inflows	$ 5,585,925	$ 610,359	$1,196,054	$1,108,969	$ 58,589	$ 8,559,896
Production and development costs	(2,151,076)	(186,328)	(427,608)	(415,282)	(31,710)	(3,212,004)
Income tax expense	(776,649)	(89,852)	(235,560)	(131,017)	--	(1,233,078)
Net cash flows	2,658,200	334,179	532,886	562,670	26,879	4,114,814
10 percent discount rate	(1,049,380)	(145,899)	(179,290)	(157,385)	(19,598)	(1,551,552)
Discounted future net cash flows(2)	$ 1,608,820	$ 188,280	$ 353,596	$ 405,285	$ 7,281	$ 2,563,262

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(1) Included in cash inflows is approximately $30.8 million, $27.9 million and $27.3 million ($9.7 million, $9.1 million and $9.3 million after discount at 10 percent per annum) for 1999, 1998 and 1997, respectively, of Canadian provincial tax credits expected to be realized beyond the date at which the legislation, under its provisions, could be repealed.

(2) Estimated future net cash flows before income tax expense, discounted at 10 percent per annum, totaled approximately $6.1 billion, $2.4 billion and $3.3 billion as of December 31, 1999, 1998 and 1997, respectively.

SUPPLEMENTAL OIL AND GAS DISCLOSURES -- (CONTINUED)
(UNAUDITED)

The following table sets forth the principal sources of change in the discounted future net cash flows:

	FOR THE YEAR ENDED DECEMBER 31,		
	1999	1998	1997
		(IN THOUSANDS)	
Sales, net of production costs	$ (923,068)	$ (551,457)	$ (755,946)
Net change in prices and production costs	2,619,118	(1,253,213)	(1,904,236)
Discoveries and improved recovery, net of related costs	282,523	620,153	644,652
Change in future development costs	82,853	251,638	120,462
Revision of quantities	90,221	(149,859)	(40,121)
Purchases of minerals in-place	1,488,905	52,785	242,958
Accretion of discount	239,589	327,262	456,848
Change in income taxes	(1,060,814)	277,518	545,424
Sales of properties	(136,453)	(132,337)	(48,353)
Change in production rates and other	(71,564)	(41,701)	(17,943)
	$ 2,611,310	$ (599,211)	$ (756,255)

Impact of Pricing -- The estimates of cash flows and reserve quantities shown above are based on year-end oil and gas prices, except in those cases where future natural gas or oil sales are covered by contracts at specified prices. Estimates of future liabilities and receivables applicable to oil and gas commodity hedges are reflected in future cash flows from proved reserves with such estimates based on prices in effect as of the date of the reserve report. Fluctuations are largely due to supply and demand perceptions for natural gas and volatility in oil prices.

Under the full cost accounting rules of the SEC, the Company reviews the carrying value of its proved oil and gas properties each quarter on a country-by-country basis. Under these rules, capitalized costs of proved oil and gas properties, net of accumulated DD&A and deferred income taxes, may not exceed the present value of estimated future net cash flows from proved oil and gas reserves, discounted at 10 percent, plus the lower of cost or fair value of unproved properties included in the costs being amortized, net of related tax effects. These rules generally require pricing future oil and gas production at the unescalated oil and gas prices at the end of each fiscal quarter and require a write-down if the "ceiling" is exceeded. Given the volatility of oil and gas prices, it is reasonably possible that the Company's estimate of discounted future net cash flows from proved oil and gas reserves could change in the near term. If oil and gas prices decline significantly, even if only for a short period of time, it is possible that write-downs of oil and gas properties could occur in the future.

APACHE CORPORATION AND SUBSIDIARIES

SUPPLEMENTAL QUARTERLY FINANCIAL DATA
(UNAUDITED)

	FIRST	SECOND	THIRD	FOURTH (2)	TOTAL
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)				
1999					
Revenues	$187,715	$281,636	$385,391	$ 445,763	$1,300,505
Expenses, net	189,883	248,868	312,613	348,286	1,099,650
Net income (loss)	$ (2,168)	$ 32,768	$ 72,778	$ 97,477	$ 200,855
Income (loss) attributable to common stock	$ (3,588)	$ 29,632	$ 67,831	$ 92,531	$ 186,406
Net income (loss) per common share (1)					
Basic	$ (.04)	$ .28	$ .59	$ .81	$ 1.73
Diluted	$ (.04)	$ .28	$ .59	$ .80	$ 1.72
1998					
Revenues	$245,941	$220,132	$211,683	$ 197,959	$ 875,715
Expenses, net	228,585	210,896	208,482	357,139	1,005,102
Net income (loss)	$ 17,356	$ 9,236	$ 3,201	$(159,180)	$ (129,387)
Income (loss) attributable to common stock	$ 17,356	$ 9,236	$ 2,617	$(160,600)	$ (131,391)
Net income (loss) per common share (1)					
Basic	$ .18	$ .09	$ .03	$ (1.64)	$ (1.34)
Diluted	$ .18	$ .09	$ .03	$ (1.64)	$ (1.34)

(1) The sum of the individual quarterly net income (loss) per common share amounts may not agree with year-to-date net income (loss) per common share as each quarterly computation is based on the weighted average number of common shares outstanding during that period. In addition, certain potentially dilutive securities were not included in certain of the quarterly computations of diluted net income (loss) per common share because to do so would have been antidilutive.

(2) As a result of low oil and gas prices at December 31, 1998, the carrying value of Apache's U.S. oil and gas properties exceeded the ceiling limitation and the Company reported a $243.2 million pre-tax ($158.1 million net of tax) non-cash write-down in the fourth quarter of 1998.

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
2.1	-- Purchase and Sale Agreement by and between Texaco Exploration and Production Inc., as seller, and Registrant, as buyer, dated December 22, 1994 (incorporated by reference to Exhibit 99.3 to Registrant's Current Report on Form 8-K, dated November 29, 1994, SEC File No. 1-4300).
2.2	-- Amended and Restated Agreement and Plan of Merger among Registrant, XPX Acquisitions, Inc and DEKALB Energy Company, dated December 21, 1994 (incorporated by reference to Exhibit 2.1 to Amendment No. 3 to Registrant's Registration Statement on Form S-4, Registration No. 33-57321, filed April 14, 1995)
2.3	-- Agreement and Plan of Merger among Registrant, YPY Acquisitions, Inc. and The Phoenix Resource Companies, Inc., dated March 27, 1996 (incorporated by reference to Exhibit 2.1 to Registrant's Registration Statement on Form S-4, Registration No. 333-02305, filed April 5, 1996).
3.1	-- Restated Certificate of Incorporation of Registrant, dated December 16, 1999, as filed with the Secretary of State of Delaware on December 17, 1999 (incorporated by reference to Exhibit 99.1 to Registrant's Current Report on Form 8-K, dated December 17, 1999, SEC File No. 1-4300).
3.2	-- Bylaws of Registrant, as amended July 14, 1999 (incorporated by reference to Exhibit 3.1 to Amendment No. 1 on Form 8-K/A to Registrant's Current Report on Form 8-K, dated May 18, 1999, SEC File No. 1-4300).
4.1	-- Form of Certificate for Registrant's Common Stock (incorporated by reference to Exhibit 4.1 to Registrant's Annual Report on Form 10-K for year ended December 31, 1995, SEC File No. 1-4300).
4.2	-- Form of Certificate for Registrant's 5.68% Cumulative Preferred Stock, Series B (incorporated by reference to Exhibit 4.2 to Amendment No. 2 on Form 8-K/A to Registrant's Current Report on Form 8-K, dated August 18, 1998, SEC File No. 1-4300).
4.3	-- Form of Certificate for Registrant's Automatically Convertible Equity Securities, Conversion Preferred Stock, Series C (incorporated by reference to Exhibit 99.8 to Amendment No. 1 on Form 8-K/A to Registrant's Current Report on Form 8-K, dated April 29, 1999, SEC File No. 1-4300).
4.4	-- Rights Agreement, dated January 31, 1996, between Registrant and Norwest Bank Minnesota, N.A., rights agent, relating to the declaration of a rights dividend to Registrant's common shareholders of record on January 31, 1996 (incorporated by reference to Exhibit (a) to Registrant's Registration Statement on Form 8-A, dated January 24, 1996, SEC File No. 1-4300).
10.1	-- Credit Agreement, dated June 12, 1997, among the Registrant, the lenders named therein, Morgan Guaranty Trust Company, as Global Documentation Agent and U.S. Syndication Agent, The First National Bank of Chicago, as U.S. Documentation Agent, NationsBank of Texas, N.A., as Co-Agent, Union Bank of Switzerland, Houston Agency, as Co-Agent, and The Chase Manhattan Bank, as Global Administrative Agent (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K, dated June 13, 1997, SEC File No. 1-4300).

EXHIBIT NO.	DESCRIPTION
10.2	-- Credit Agreement, dated June 12, 1997, among Apache Canada Ltd., a wholly-owned subsidiary of the Registrant, the lenders named therein, Morgan Guaranty Trust Company, as Global Documentation Agent, Royal Bank of Canada, as Canadian Documentation Agent, The Chase Manhattan Bank of Canada, as Canadian Syndication Agent, Bank of Montreal, as Canadian Administrative Agent, and The Chase Manhattan Bank, as Global Administrative Agent (incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K, dated June 13, 1997, SEC File No. 1-4300).
10.3	-- Credit Agreement, dated June 12, 1997, among Apache Energy Limited and Apache Oil Australia Pty Limited, wholly-owned subsidiaries of the Registrant, the lenders named therein, Morgan Guaranty Trust Company, as Global Documentation Agent, Bank of America National Trust and Savings Association, Sydney Branch, as Australian Documentation Agent, The Chase Manhattan Bank, as Australian Syndication Agent, Citisecurities Limited, as Australian Administrative Agent, and The Chase Manhattan Bank, as Global Administrative Agent (incorporated by reference to Exhibit 10.3 to Registrant's Current Report on Form 8-K, dated June 13, 1997, SEC File No. 1-4300).
10.4	-- Fiscal Agency Agreement, dated January 4, 1995, between Registrant and Chemical Bank, as fiscal agent, relating to Registrant's 6% Convertible Subordinated Debentures due 2002 (incorporated by reference to Exhibit 99.2 to Registrant's Current Report on Form 8-K, dated December 6, 1994, SEC File No. 1-4300)
10.5	-- Concession Agreement for Petroleum Exploration and Exploitation in the Khalda Area in Western Desert of Egypt by and among Arab Republic of Egypt, the Egyptian General Petroleum Corporation and Phoenix Resources Company of Egypt, dated April 6, 1981 (incorporated by reference to Exhibit 19(g) to Phoenix's Annual Report on Form 10-K for year ended December 31, 1984, SEC File No. 1-547).
10.6	-- Amendment, dated July 10, 1989, to Concession Agreement for Petroleum Exploration and Exploitation in the Khalda Area in Western Desert of Egypt by and among Arab Republic of Egypt, the Egyptian General Petroleum Corporation and Phoenix Resources Company of Egypt incorporated by reference to Exhibit 10(d)(4) to Phoenix's Quarterly Report on Form 10-Q for quarter ended June 30, 1989, SEC File No. 1-547).
10.7	-- Farmout Agreement, dated September 13, 1985 and relating to the Khalda Area Concession, by and between Phoenix Resources Company of Egypt and Conoco Khalda Inc(incorporated by reference to Exhibit 10.1 to Phoenix's Registration Statement on Form S-1, Registration No. 33-1069, filed October 23, 1985).
10.8	-- Amendment, dated March 30, 1989, to Farmout Agreement relating to the Khalda Area Concession, by and between Phoenix Resources Company of Egypt and Conoco Khalda Inc(incorporated by reference to Exhibit 10(d)(5) to Phoenix's Quarterly Report on Form 10-Q for quarter ended June 30, 1989, SEC File No. 1-547).

EXHIBIT NO.	DESCRIPTION
10.9	-- Amendment, dated May 21, 1995, to Concession Agreement for Petroleum Exploration and Exploitation in the Khalda Area in Western Desert of Egypt between Arab Republic of Egypt, the Egyptian General Petroleum Corporation, Repsol Exploracion Egipto S.A., Phoenix Resources Company of Egypt and Samsung Corporation (incorporated by reference to exhibit 10.12 to Registrant's Annual Report on Form 10-K for year ended December 31, 1997, SEC File No. 1-4300).
10.10	-- Concession Agreement for Petroleum Exploration and Exploitation in the Qarun Area in Western Desert of Egypt, between Arab Republic of Egypt, the Egyptian General Petroleum Corporation, Phoenix Resources Company of Qarun and Apache Oil Egypt, Inc., dated May 17, 1993 (incorporated by reference to Exhibit 10(b) to Phoenix's Annual Report on Form 10-K for year ended December 31, 1993, SEC File No. 1-547).
10.11	-- Agreement for Amending the Gas Pricing Provisions under the Concession Agreement for Petroleum Exploration and Exploitation in the Qarun Area, effective June 16, 1994 (incorporated by reference to Exhibit 10.18 to Registrant's Annual Report on Form 10-K for year ended December 31, 1996, SEC File No. 1-4300).
+10.12	-- 1982 Employee Stock Option Plan, as updated in January 1987 to conform to the Tax Reform Act of 1986 (incorporated by reference to Exhibit 10.7 to Registrant's Annual Report on Form 10-K for year ended December 31, 1990, SEC File No. 1-4300).
+10.13	-- Apache Corporation Corporate Incentive Compensation Plan A (Senior Officers' Plan), dated July 16, 1998 (incorporated by reference to Exhibit 10.13 to Registrant's Annual Report on Form 10-K for year ended December 31, 1998, SEC File No. 1-4300).
+10.14	-- Apache Corporation Corporate Incentive Compensation Plan B (Strategic Objectives Format), dated July 16, 1998 (incorporated by reference to Exhibit 10.14 to Registrant's Annual Report on Form 10-K for year ended December 31, 1998, SEC File No. 1-4300).
+10.15	-- Apache Corporation 401(k) Savings Plan, dated August 1, 1997, effective January 1, 1997 (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K, dated August 8, 1997, SEC File No. 1-4300).
+*10.16	-- Amendments to Apache Corporation 401(k) Savings Plan, dated October 21, 1999, effective as of January 1, 1997 and 1999, and amendment dated December 31, 1999, effective as of January 1, 2000.
+10.17	-- Apache Corporation Money Purchase Retirement Plan, dated December 31, 1997, effective January 1, 1997 (incorporated by reference to Exhibit 10.19 to Registrant's Annual Report on Form 10-K for year ended December 31, 1997, SEC File No. 1-4300).
+*10.18	-- Amendments to Apache Corporation Money Purchase Retirement Plan, dated October 21, 1999, effective as of January 1, 1997 and 1998.
+10.19	-- Non-Qualified Retirement/Savings Plan of Apache Corporation, restated as of January 1, 1997, and amendments effective as of January 1, 1997, January 1, 1998 and January 1, 1999 (incorporated by reference to Exhibit 10.17 to Registrant's Annual Report on Form 10-K for year ended December 31, 1998, SEC File No. 1-4300).

EXHIBIT NO.	DESCRIPTION
+10.20	-- Amendment to Non-Qualified Retirement/Savings Plan of Apache Corporation, dated February 22, 2000, effective as of January 1, 1999 (incorporated by reference to Exhibit 4.7 to Registrant's Registration Statement on Form S-8, Registration No. 333-31092, filed February 25, 2000).
+10.21	-- Apache International, Inc. Common Stock Award Plan, dated February 12, 1990 (incorporated by reference to Exhibit 10.13 to Registrant's Annual Report on Form 10-K for year ended December 31, 1989, SEC File No. 1-4300).
+10.22	-- Apache Corporation 1990 Stock Incentive Plan, as amended and restated February 10, 2000 (incorporated by reference to Exhibit 4.5 to Amendment No. 1 to Registrant's Registration Statement on Form S-8, Registration No. 33-37402, filed March 2, 2000).
+*10.23	-- Apache Corporation 1995 Stock Option Plan, as amended and restated February 10, 2000.
+10.24	-- Apache Corporation 1996 share Price Appreciation Plan, as amended and restated January 14, 1997 (incorporated by reference to Appendix A to Registrant's definitive 14A Proxy Statement, SEC File No. 1-4300, filed March 28, 1997).
+10.25	-- Apache Corporation 1996 Performance Stock Option Plan, as amended and restated September 23, 1999 (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K, dated November 30, 1999, SEC File No. 1-4300).
+*10.26	-- Apache Corporation 1998 Stock Option Plan, as amended and restated February 10, 2000.
+10.27	-- 1990 Employee Stock Option Plan of The Phoenix Resource Companies, Inc., as amended through September 29, 1995, effective April 9, 1990 (incorporated by reference to Exhibit 10.33 to Registrant's Annual Report on Form 10-K for year ended December 31, 1996, SEC File No. 1-4300).
+10.28	-- Apache Corporation Income Continuance Plan, as amended and restated February 24, 1988 (incorporated by reference to Exhibit 10.19 to Registrant's Annual Report on Form 10-K for year ended December 31, 1990, SEC File No. 1-4300).
+10.29	-- Apache Corporation Deferred Delivery Plan, effective as of February 10, 2000 and election forms (incorporated by reference to Exhibit 4.5 to Registrant's Registration Statement on Form S-8, Registration No. 333-31092, filed February 25, 2000).
+10.30	-- Apache Corporation Non-Employee Directors' Compensation Plan, as amended and restated December 17, 1998 (incorporated by reference to Exhibit 10.26 to Registrant's Annual Report on Form 10-K for year ended December 31, 1998, SEC File No. 1-4300).
+10.31	-- Apache Corporation Outside Directors' Retirement Plan, as amended and restated September 11, 1997 (incorporated by reference to Exhibit 10.31 to Registrant's Annual Report on Form 10-K for year ended December 31, 1997, SEC File No. 1-4300).
+10.32	-- Apache Corporation Equity Compensation Plan for Non-Employee Directors, adopted February 9, 1994, and form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.26 to Registrant's Annual Report on Form 10-K for year ended December 31, 1993, SEC File No. 1-4300).

EXHIBIT NO.	DESCRIPTION
+10.33	-- Amended and Restated Employment Agreement, dated December 5, 1990, between Registrant and Raymond Plank (incorporated by reference to Exhibit 10.39 to Registrant's Annual Report on Form 10-K for year ended December 31, 1996, SEC File No. 1-4300).
+10.34	-- First Amendment, dated April 4, 1996, to Restated Employment Agreement between Registrant and Raymond Plank (incorporated by reference to Exhibit 10.40 to Registrant's Annual Report on Form 10-K for year ended December 31,1996, SEC File No. 1-4300).
+10.35	-- Amended and Restated Employment Agreement, dated December 20, 1990, between Registrant and John A. Kocur (incorporated by reference to Exhibit 10.10 to Registrant's Annual Report on Form 10-K for year ended December 31, 1990, SEC File No. 1-4300).
+10.36	-- Employment Agreement, dated June 6, 1988, between Registrant and G. Steven Farris (incorporated by reference to Exhibit 10.6 to Registrant's Annual Report on Form 10-K for year ended December 31, 1989, SEC File No. 1-4300).
+10.37	-- Conditional Stock Grant Agreement, dated December 17, 1998, between Registrant and G. Steven Farris (incorporated by reference to Exhibit 10.33 to Registrant's Annual Report on Form 10-K for year ended December 31, 1998, SEC File No. 1-4300).
10.38	-- Amended and Restated Gas Purchase Agreement, effective July 1, 1998, by and among Registrant and MW Petroleum Corporation, as Seller, and Producers Energy Marketing, LLC, as Buyer (incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K, dated June 18, 1998, SEC File No. 1-4300).
*12.1	-- Statement of Computation of Ratios of Earnings to Fixed Charges and Combined Fixed Charges and Preferred Stock Dividends
*21.1	-- Subsidiaries of Registrant
*23.1	-- Consent of Arthur Andersen LLP
*23.2	-- Consent of Ryder Scott Company, L.P. Petroleum Consultants
*23.3	-- Consent of Netherland, Sewell & Associates, Inc.
*24.1	-- Power of Attorney (included as a part of the signature pages to this report)
*27.1	-- Financial Data Schedule

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* Filed herewith.

+ Management contracts or compensatory plans or arrangements required to be

filed herewith pursuant to Item 14 hereof.

EXHIBIT 10.16

Amendment
To
Apache Corporation 401(k) Savings Plan

Apache Corporation ("Apache") maintains the Apache Corporation 401(k) Savings Plan (the "Plan"). Pursuant to section 10.4 of the Plan, Apache has retained the right to amend the Plan. Apache hereby exercises that right by replacing subsection 6.6(b) of the Plan with the following, effective January 1, 1999.

(b) Definition of Eligible Rollover Distribution. For purposes of this section only, an "eligible rollover distribution" is any distribution or in-service withdrawal other than (i) distributions required under Code section 401(a)(9), (ii) distributions of amounts that have already been subject to federal income tax (such as defaulted loans or after-tax voluntary contributions), (iii) installment payments in a series of substantially equal payments made at least annually and (A) made over a specified period of ten or more years, (B) made for the life or life expectancy of the distributee, or (C) made for the joint life or joint life expectancy of the distributee and his or her designated beneficiary, (iv) a distribution to satisfy the limits of Code section 415 or 402(g), (v) a distribution to satisfy ADP, ACP, or multiple use tests, (vi) any other actual or deemed distribution specified in the regulations issued under Code section 402(c); or (vii) any hardship withdrawal by an Employee under age 59 1/2 pursuant to subsection 7.1(c).

IN WITNESS WHEREOF, this Amendment has been executed the date set forth below.

APACHE CORPORATION

By: /s/ Daniel L. Schaeffer

Date: October 21, 1999 *Title: Vice President, Human Resources*

Amendment To Apache Corporation 401(k) Savings Plan

Apache Corporation ("Apache") maintains the Apache Corporation 401(k) Savings Plan (the "Plan"). Apache filed the Plan with the IRS on September 15, 1998 in order to obtain a favorable determination as to the qualified status of the Plan. The IRS granted the Plan a favorable determination letter dated August 13, 1999, contingent on certain amendments being made to the Plan. In section 10.4 of the Plan, Apache reserved the right to amend the Plan from time to time. Apache hereby exercises such right as follows.

1. Effective as of January 1, 1999, section 1.14 shall be replaced in its entirety by the following.

1.14 "Covered Employee" means any Employee of the Company, with the following exceptions.

(a) Any individual directly employed by an entity other than the Company shall not be a Covered Employee, even if such individual is considered a common-law employee of the Company or is treated as an employee of the Company pursuant to Code section 414(n).

(b) A non-resident alien shall not be a Covered Employee.

(c) An Employee included in a unit of Employees covered by a collective bargaining agreement shall not be a Covered Employee unless the collective bargaining agreement specifically provides for such Employee's participation in the Plan.

(d) An Employee whose job is classified as "temporary" shall be a Covered Employee only after he or she has worked for the Company and Affiliated Entities for six consecutive months.

(e) An Employee shall not be a Covered Employee while he or she is classified as an "intern," a "consultant," or an "independent contractor." An Employee may be classified as an "intern" only if he or she is currently enrolled (or the Company expects him or her to be enrolled within the next 12 months) in a high school, college, or university. An Employee may be classified as an intern even if he or she does not receive academic course credit from his or her school for this employment with the Company.

(f) An individual who is employed pursuant to a written agreement with an agency or other third party for a specific job assignment or project shall not be a Covered Employee.

2. Effective as of January 1, 1997, the last sentence of section 1.18 shall be replaced by the following sentence.

The term "Employee" shall also include any individual who provides services to the Company or an Affiliated Entity pursuant to an agreement between the Company or an Affiliated Entity and a third party that employs the individual, but only if the individual has performed such services for the Company or an Affiliated Entity on a substantially full-time basis for at least one year and only if the services are performed under the primary direction or control by the Company or an Affiliated Entity; provided, however, that if the individuals included as Employees pursuant to the first part of this sentence constitute 20% or less of the Non-Highly Compensated Employees of the Company and Affiliated Entities, then any such individuals who are covered by a qualified plan that is a money purchase pension plan that provides a nonintegrated employer contribution rate for each participant of at least 10% of compensation, that provides for full and immediate vesting, and that provides immediate participation for each employee of the third party (other than those who perform substantially all of their services for the third party and other than those whose compensation from the third party during each of the four preceding plan years was less than $1000) shall not be considered an Employee.

3. Effective as of January 1, 1997, section 1.23 shall be replaced in its entirety by the following.

1.23 "Highly Compensated Employee" means, for each Plan Year, an Employee who (a) had Compensation of $80,000 (as adjusted by the Secretary of the Treasury) or more during the immediately preceding Plan Year, or (b) is a Five-Percent Owner during the current Plan Year, or (c) was a Five-Percent Owner during the immediately preceding Plan Year. The term "Highly Compensated Employee" shall also include, where the context so requires, any former Employee who was a Highly Compensated Employee when he or she separated from service with the Company and all Affiliated Entities, as well as any former Employee who was a Highly Compensated Employee at any time after attaining age 55.

4. Effective as of January 1, 1999, the last sentence of subsection 3.5(b) shall be replaced in its entirety by the following.

The Committee may elect to exclude from the ADP test those Non-Highly Compensated Employees who, at the end of the Plan Year, had not attained age 21 and/or whose Period of Service was for less than one year.

5. Effective as of January 1, 1997, subsection 3.5(e) shall be replaced in its entirety by the following two subsections.

(e) Order of Correction. The method described in subsection
(c) shall be employed first, during the Plan Year. If that method is not used during the Plan Year, or if the net effect of such method was insufficient for the ADP test to be satisfied, the Company has the discretion to use any one or more of the methods described in paragraphs (d)(i), (d)(ii), and (d)(iii). If the Company does not choose to make the corrections described in paragraphs (d)(i), (d)(ii), and (d)(iii), or if such corrections are insufficient to satisfy the ADP test, then the correction method described in paragraph (d)(iv) shall be used.

(f) Calculating the Amounts Returned. If the ADP test is not satisfied, and Participant Before-Tax Contributions are returned pursuant to paragraph (d)(iv) above, the Committee shall determine the amount to be returned pursuant to paragraph (i) below, and shall then allocate that amount among the Highly Compensated Employees pursuant to paragraph (ii) below. The amount actually returned to each Highly Compensated Employee shall be adjusted to reflect as nearly as possible the actual investment gains or losses thereon for the Plan Year, determined pursuant to Article IV, but shall not be adjusted to reflect any subsequent gains or losses.

(i) Calculation of Amount of Excess Contributions. The amount of Participant Before-Tax Contributions to be returned to the group of Highly Compensated Employees as a whole (the "excess contributions") shall be equal to the hypothetical reduction in the Participant Before-Tax Contributions that are subject to the ADP test pursuant to subsection (b) (the "relevant Participant Before-Tax Contributions") that would be made under the following procedure. The Highly Compensated Employee(s) with the highest "actual deferral ratio" has an amount hypothetically returned until his or her actual deferral ratio is reduced to the actual deferral ratio of the Highly Compensated Employee with the next highest actual deferral ratio; this process is repeated to the extent necessary for the ADP test to be satisfied. The term "actual deferral ratio" is a fraction, the denominator of which is equal to the Participant's Compensation, and the numerator of which is equal to (A)+(B)+(C)-(D)-(E), where

(A) is equal to the Participant's Participant Before-Tax Contributions for the Plan Year.

(B) is equal to that portion of the Participant's QNECs and QMACs that are allocated to the Participant as of any date within the Plan Year, but only to the extent that the Committee elects to include them in the ADP test.

(C) is equal to zero for a Non-Highly Compensated Employee, and, for each Highly Compensated Employee who participates in a cash or deferred arrangement sponsored by the Company or an Affiliated Entity that is permitted to be aggregated with this Plan, is equal to the contributions to the other plan that are subject to that plan's ADP test.

(D) is equal to any of the amounts in (A) that are used in the ACP test pursuant to subsection (b).

(E) is equal to any of the amounts in (A) or (B) or
(C) that have been removed from the Participant's Accounts pursuant to any other corrective mechanisms described in this Article.

(ii) Allocation of Excess Contributions. The excess contributions shall be allocated among the Highly Compensated Employees as follows. The Highly Compensated Employee(s) with the largest relevant Participant Before-Tax Contributions shall have an amount returned until his or her remaining employer contributions are equal to those of the Highly Compensated Employee with the next largest relevant Participant Before-Tax Contributions. This process is repeated until the excess contributions have been completely returned to the Highly Compensated Employees. For each Highly Compensated Employee who receives a return of excess contributions, the Plan shall first return his or her unmatched Participant Before-Tax Contributions (if any) before returning any of his or her matched Participant Before-Tax Contributions. If a matched Participant Before-Tax Contribution is returned, the corresponding Company Matching Contribution shall be forfeited (unless returned to the Participant pursuant to paragraph 3.6(c)(vi)).

6. Effective as of January 1, 1999, the last sentence of subsection 3.6(b) shall be replaced in its entirety by the following.

The Committee may elect to exclude from the ACP test those Non-Highly Compensated Employees who, at the end of the Plan Year, had not attained age 21 and/or whose Period of Service was for less than one year.

5. Effective as of January 1, 1997, subsection 3.6(d) shall be replaced in its entirety by the following two subsections.

(d) Order of Correction. The method described in subsection 3.5(c) shall be employed first, during the Plan Year. If that method is not used during the Plan Year, or if the net effect of such method was insufficient for the ACP test to be satisfied, the Company has the discretion to use any one or more of the methods described in paragraphs (c)(i), (c)(ii), and (c)(iii). If the Company does not choose to make the corrections described in paragraphs (c)(i), (c)(ii), and (c)(iii), or if such corrections are insufficient to satisfy the ACP test, then the correction method described in paragraph (c)(v) shall be used if the Plan is top-heavy; if the Plan is not top-heavy, or if the corrections pursuant to (c)(v) are insufficient, the correction methods described in paragraphs (c)(iv), (c)(vi), and (c)(vii) shall be used, as described in subsection (e).

(e) Calculating the Corrective Reduction in Participants' Accounts. If the ACP test is not satisfied, and the correction methods described in paragraphs (c)(iv), (c)(vi), and (c)(vii) are to be used, the Committee shall determine the amount of the correction pursuant to paragraph (i) below, and shall then allocate that amount among the Highly Compensated Employees pursuant to paragraph (ii) below. The amount of the correction shall be adjusted to reflect as nearly as possible the actual investment gains or losses thereon for the Plan Year, determined pursuant to Article IV, but shall not be adjusted to reflect any subsequent gains or losses.

(i) Calculation of Amount of Excess Aggregate Contributions. The term "aggregate contributions" means those Participant Before-Tax Contributions and Company Matching Contributions that are taken into account for the ACP test pursuant to subsection (b). The amount of the excess aggregate contributions shall be equal to the hypothetical reduction in the aggregate contributions that would be made under the following procedure. The Highly Compensated Employee(s) with the highest "actual contribution ratio" has his or her aggregate contributions hypothetically reduced until his or her actual contribution ratio is lowered to the actual contribution ratio of the Highly Compensated Employee with the next highest actual contribution ratio; this process is repeated to the extent necessary for the ACP test to be satisfied. The term "actual contribution ratio" is a fraction, the denominator of which is equal to the Participant's Compensation, and the numerator of which is equal to (A)+(B)+(C)+(D)-(E), where

(A) is equal to the Participant's Company Matching Contributions for the Plan Year.

(B) is equal to the Participant's Participant Before-Tax Contributions that are used in the ACP test pursuant to subsection (b).

(C) is equal to that portion of the Participant's QNECs and QMACs that are allocated to the Participant as of any date within the Plan Year, but only to the extent that the Committee elects to include them in the ACP test.

(D) is equal to zero for a Non-Highly Compensated Employee, and, for each Highly Compensated Employee who participates in a cash or deferred arrangement sponsored by the Company or an Affiliated Entity that is permitted to be aggregated with this Plan, is equal to the contributions to the other plan that are subject to that plan's ACP test.

(E) is equal to any of the amounts in (A) or (B) or
(C) or (D) that have been removed from the Participant's Accounts pursuant to any other corrective mechanisms described in this Article.

(ii) Allocation of Excess Aggregate Contributions. The excess aggregate contributions shall be allocated among the Highly Compensated Employees as follows. The Highly Compensated Employee(s) with the largest aggregate contributions shall have his or her aggregate contributions reduced until his or her remaining aggregate contributions are equal to those of the Highly Compensated Employee with the next largest aggregate contributions. This process is repeated until the excess aggregate contributions have been eliminated. The reduction in aggregate contributions for each affected Highly Compensated Employee shall be made in the following order: unmatched Participant Before-Tax Contributions; then matched Participant Before-Tax Contributions, together with any associated Company Matching Contribution. Any reduction in Company Matching Contributions shall be forfeited (to the extent not vested) or paid to the Highly Compensated Employee (to the extent vested).

6. Effective as of January 1, 1997, subsection 3.7(b) shall be replaced in its entirety by the following.

(b) Corrections to Satisfy Multiple Use Test. If the multiple use test is not satisfied, the Company shall cause the contributions to the Accounts of the Highly Compensated Employees to be adjusted as follows. First, the Company may make certain contributions, or may designate certain contributions as QNECs or QMACs pursuant to subsections 3.5(d) and 3.6(c). Second, if additional correction is necessary, and the Plan is top-heavy, the correction method specified in paragraph 3.6(c)(v) shall be used. Third, if additional correction is necessary, the Committee shall make the following corrections for the appropriate Highly Compensated Employees: (i) return unmatched Participant Before-Tax Contributions; (ii) return matched Participant Before-Tax Contributions, and, for the associated Company Matching Contribution, forfeit it (to the extent not vested) or pay it to the Highly Compensated Employee (to the extent vested).

7. Effective as of January 1, 1997, section 5.8 shall be replaced in its entirety by the following.

A rehired Participant shall have two Company Contribution Accounts, an "old" Company Contributions Account for the contributions from his or her earlier episode of employment, and a "new" Company Contributions Account for his or her later episode of employment. The vested percentage applicable to such Accounts shall be determined pursuant to sections 5.1 and 5.6, unless an amount was distributed from the old Company Contributions Account before the Participant was rehired, in which case the vested percentage of the old Company Contributions Account, after any forfeiture has been restored to it, shall be determined pursuant to subsection 5.3(c). If a Participant becomes fully vested in both the old and the new Company Contributions Accounts, they shall be merged into one Company Contributions Account.

8. Effective as of January 1, 1997, the last section 10.1 shall be replaced in its entirety by the following.

Apache expects to continue the Plan indefinitely, but the continuance of the Plan and the payment of contributions are not assumed as contractual obligations. Apache may terminate the Plan or discontinue contributions at any time. Upon the termination of the Plan or the complete discontinuance of contributions, each Participant's Accounts shall become fully vested. Upon the partial termination of the Plan, the Accounts of all affected Participants shall become fully vested. The only Participants who are affected by a partial termination are those whose employment with the Company or Affiliated Entity is terminated as a result of the corporate event causing the partial termination;

Employees terminated for cause and those who leave voluntarily are not affected by a partial termination.

EXECUTED this 21st day of October, 1999.

APACHE CORPORATION

By: /s/ Daniel L. Schaeffer
Title: Vice President, Human Resources

Amendment To Apache Corporation 401(k) Savings Plan

Apache Corporation ("Apache") maintains the Apache Corporation 401(k) Savings Plan (the "Plan"). Pursuant to section 10.4 of the Plan, Apache has retained the right to amend the Plan. Apache hereby exercises that right by replacing subsection 2.1(a) of the Plan with the following, effective January 1, 2000.

(a) Participant Before-Tax Contributions. A Covered Employee shall be eligible to begin to make Participant Before-Tax Contributions as of the first day of the first pay period of the month that begins after the day the Employee becomes a Covered Employee.

IN WITNESS WHEREOF, this Amendment has been executed the date set forth below.

APACHE CORPORATION

By: Daniel L. Schaeffer

Date: December 30, 1999

Title: Vice President, Human Resources

EXHIBIT 10.18

Amendment
To

Apache Corporation Money Purchase Retirement Plan

Apache Corporation ("Apache") maintains the Apache Corporation Money Purchase Retirement Plan (the "Plan"). In section 9.4 of the Plan, Apache reserved the right to amend the Plan from time to time. Apache hereby exercises such right by adding the following paragraph 3.1(a)(iv) to the Plan, effective as of January 1, 1998.

(iv) Special Allocation for 1998. In addition to the allocation provided in paragraph (ii), the two eligible Participants who had the smallest "plan year compensation" (as defined below) in 1998 shall receive an additional allocation of Company Mandatory Contributions equal to 3.138% of the eligible Participant's plan year compensation in 1998. For purposes of this paragraph only, "plan year compensation" means those amounts reported as "wages, tips, other compensation" on Form W-2 by the Company or an Affiliated Entity and elective contributions that are not includable in the Employee's income pursuant to Code section 125 or 402(e)(3).

EXECUTED this 21st day of October 1999.

APACHE CORPORATION

By: /s/ Daniel L. Schaeffer

Title: Vice President, Human Resources

Amendment To Apache Corporation Money Purchase Retirement Plan

Apache Corporation ("Apache") maintains the Apache Corporation Money Purchase Retirement Plan (the "Plan"). Apache filed the Plan with the IRS on September 15, 1998 in order to obtain a favorable determination as to the qualified status of the Plan. The IRS granted the Plan a favorable determination letter dated July 23, 1999, contingent on certain amendments being made to the Plan. In section 9.4 of the Plan, Apache reserved the right to amend the Plan from time to time. Apache hereby exercises such right as follows, effective as of January 1, 1997.

1. Section 1.12 shall be replaced in its entirety by the following.

1.12 "Covered Employee" means any Employee of the Company, with the following exceptions.

(a) Any individual directly employed by an entity other than the Company shall not be a Covered Employee, even if such individual is considered a common-law employee of the Company or is treated as an employee of the Company pursuant to Code section 414(n).

(b) A non-resident alien shall not be a Covered Employee.

(c) An Employee included in a unit of Employees covered by a collective bargaining agreement shall not be a Covered Employee unless the collective bargaining agreement specifically provides for such Employee's participation in the Plan.

(d) An Employee whose job is classified as "temporary" shall be a Covered Employee only after he or she has worked for the Company and Affiliated Entities for six consecutive months.

(e) An Employee shall not be a Covered Employee while he or she is classified as an "intern," a "consultant," or an "independent contractor." An Employee may be classified as an "intern" only if he or she is currently enrolled (or the Company expects him or her to be enrolled within the next 12 months) in a high school, college, or university. An Employee may be classified as an intern even if he or she does not receive academic course credit from his or her school for this employment with the Company.

(f) An individual who is employed pursuant to a written agreement with an agency or other third party for a specific job assignment or project shall not be a Covered Employee.

2. The last sentence of section 1.16 shall be replaced by the following sentence.

The term "Employee" shall also include any individual who provides services to the Company or an Affiliated Entity pursuant to an agreement between the Company or an Affiliated Entity and a third party that employs the individual, but only if the individual has performed such services for the Company or an Affiliated Entity on a substantially full-time basis for at least one year and only if the services are performed under the primary direction or control by the Company or an Affiliated Entity; provided, however, that if the individuals included as Employees pursuant to the first part of this sentence constitute 20% or less of the Non-Highly Compensated Employees of the Company and Affiliated Entities, then any such individuals who are covered by a qualified plan that is a money purchase pension plan that provides a nonintegrated employer contribution rate for each participant of at least 10% of compensation, that provides for full and immediate vesting, and that provides immediate participation for each employee of the third party (other than those who perform substantially all of their services for the third party and other than those whose compensation from the third party during each of the four preceding plan years was less than $1000) shall not be considered an Employee.

3. Section 1.20 shall be replaced in its entirety by the following.

1.23 "Highly Compensated Employee" means, for each Plan Year, an Employee who (a) had Compensation of $80,000 (as adjusted by the Secretary of the Treasury) or more during the immediately preceding Plan Year, or (b) is a Five-Percent Owner during the current Plan Year, or (c) was a Five-Percent Owner during the immediately preceding Plan Year. The term "Highly Compensated Employee" shall also include, where the context so requires, any former Employee who was a Highly Compensated Employee when he or she separated from service with the Company and all Affiliated Entities, as well as any former Employee who was a Highly Compensated Employee at any time after attaining age 55.

4. Subsection 6.1(c) shall be replaced in its entirety by the following.

(c) Waiver of QPSA.

(i) General. In order for the QPSA to be waived, the Participant must be provided with an explanation of the QPSA and then elect to waive the QPSA (which the Participant may do by naming a beneficiary other than his or her Spouse) and the Spouse must consent to the Participant's election.

(ii) Spouse's Consent. The Spouse's consent must be in writing. The Spouse's signature must be witnessed by a Committee member of by a notary public. The Spouse must acknowledge the effect of the consent. The Spouse may limit his or her consent to a specific beneficiary or may allow the Participant to thereafter designate a different beneficiary. The Spouse may limit his or her consent to a specific form of benefit. (The Spouse's consent is not needed if the Spouse cannot be located or in certain other special circumstances identified in IRS guidance.)

(iii) Timing of Waiver. The Participant may waive the QPSA, or revoke the QPSA waiver, at any time; however, if the Participant elects to waive the QPSA, with the consent of his or her Spouse, before the first day of the Plan Year in which the Participant attains age 35, the waiver shall become invalid on the first day of the Plan Year in which the Participant attains age 35.

(iv) Explanation. The Committee shall provide the Participant with a written explanation that describes the terms and conditions of the QPSA, the Participant's right to choose another beneficiary, the rights of the Participant's Spouse to insist upon a QPSA, and the Participant's right to revoke his or her election. The written explanation must be provided within the following time limits. If the Participant terminates employment prior to age 35, the explanation must be provided within the period beginning one year before and ending one year after the termination of employment. If the Participant terminates employment on or after age 35, the explanation must be provided within the one of the following periods (whichever period ends last): (i) the period beginning on the first day of the Plan Year in which the Participant attains age 32 and ending on the last day of the Plan Year in which the Participant attains age 34; (ii) the period beginning one year before, and ending one year after, the Participant first becomes eligible to participate in the Plan; and (iii) the period beginning one year before, and ending one year after, a married Participant is fully or partially vested in his or her Account (which will normally occur either when the Participant gets married or when the Participant completes one Year of Service).

5. Paragraphs 6.3(a)(iii) and 6.3(a)(iv) shall be replaced in their entirety by the following.

(iii) Method of Spouse's Consent. The consent of a Participant's Spouse must be in writing. The consent is not valid unless the Committee has provided the written explanation described in paragraph (iv). The Spouse must acknowledge the affect of his or her consent. The Spouse's consent must be witnessed by a Committee member or by a notary public. The Spouse may limit his or her consent to a specific beneficiary or may allow the Participant to thereafter designate a different beneficiary. The Spouse may limit his or her consent to a specific form of benefit. (The Spouse's consent is not needed if the Spouse cannot be located or in certain other special circumstances identified in IRS guidance.)

(iv) Distribution Procedure.

(A) General. The Committee shall provide the Participant with a written explanation that contains the information required by the Code and Treasury Regulations, as explained in subparagraph (B). The timing of the explanation, the consent, and the distribution are discussed in subparagraph (C). The Participant may revoke his or her election at any time before the distribution is processed.

(B) Contents of Explanation. The information in the explanation shall include, at a minimum, the terms and conditions of the QJSA, the Participant's right to elect a single payment in lieu of a QJSA, the effect of the Participant electing a single payment in lieu of a QJSA, the right of the Participant's Spouse to insist upon a QJSA, and the Participant's right to revoke his or her distribution election.

(C) Timing. The explanation shall be provided no more than 90 days before the annuity starting date. The explanation shall be provided no fewer than 30 days before the annuity starting date, unless all the following conditions are satisfied (1) the Participant affirmatively elects a single sum distribution (and the Participant's Spouse, if any, consents), (2) the explanation mentions that the Participant has a right to at least 30 days to consider whether to waive the QJSA and consent to a single sum, and (3) the Participant is permitted to revoke an affirmative distribution election until the annuity starting date (or, if later, the 8th day after the Participant is provided with the explanation).

(D) Annuity Starting Date. The annuity starting date, for a single sum payment, is the date the payment is processed, which may be any business day. The annuity starting date for a QJSA is the day as of which the annuity payments begin. The annuity starting date for an annuity must be the first day of a month, must occur on or after the Participant's termination of employment or 65th birthday, must occur after the date the explanation is provided, but may precede the date the Participant provides any affirmative distribution election. In any event, the first payment from the annuity shall not precede the 8th day after the explanation is provided.

6. Section 5.8 shall be replaced in its entirety by the following.

A rehired Participant shall have two Accounts, an "old" Account for the contributions from his or her earlier episode of employment, and a "new" Account for his or her later episode of employment. The vested percentage applicable to such Accounts shall be determined pursuant to sections 5.1 and 5.6, unless an amount was distributed from the old Account before the Participant was rehired, in which case the vested percentage of the old Account, after any forfeiture has been restored to it, shall be determined pursuant to subsection 5.3(c). If a Participant becomes fully vested in both the old and the new Accounts, they shall be merged into a single Account.

7. The last section 10.1 shall be replaced in its entirety by the following.

Apache expects to continue the Plan indefinitely, but the continuance of the Plan and the payment of contributions are not assumed as contractual obligations. Apache may terminate the Plan or discontinue contributions at any time. Upon the termination of the Plan, each Participant's Account shall become fully vested. Upon the partial termination of the Plan, the Accounts of all affected Participants shall become fully vested. The only Participants who are affected by a partial termination are those whose employment with the Company or Affiliated Entity is terminated as a result of the corporate event causing the partial termination; Employees terminated for cause and those who leave voluntarily are not affected by a partial termination.

EXECUTED this 21st day of October, 1999.

APACHE CORPORATION

By: Daniel L. Schaeffer

Title: Vice President, Human Resources

EXHIBIT 10.23

APACHE CORPORATION

1995 STOCK OPTION PLAN

(AS AMENDED AND RESTATED FEBRUARY 10, 2000)

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APACHE CORPORATION

1995 STOCK OPTION PLAN

SECTION 1

INTRODUCTION

1.1 Establishment. Apache Corporation, a Delaware corporation (hereinafter referred to, together with its Affiliated Corporations (as defined in Section 2.1 hereof) as the "Company" except where the context otherwise requires), hereby establishes the Apache Corporation 1995 Stock Option Plan (the "Plan") for certain key employees of the Company. The Plan permits the grant of stock options to certain key employees of the Company.

1.2 Purposes. The purposes of the Plan are to provide the key management employees selected for participation in the Plan with added incentives to continue in the long-term service of the Company and to create in such employees a more direct interest in the future success of the operations of the Company by relating incentive compensation to increases in stockholder value, so that the income of the key management employees is more closely aligned with the interests of the Company's stockholders. The Plan is also designed to attract key employees and to retain and motivate participating employees by providing an opportunity for investment in the Company.

1.3 Effective Date. The Effective Date of the Plan (the "Effective Date") shall be May 4, 1995. This Plan and each option granted hereunder is conditioned on and shall be of no force or effect until approval of the Plan by the holders of the shares of voting stock of the Company unless the Company, on the advice of counsel, determines that stockholder approval is not necessary. The Committee (as defined in Section 2.1 hereof) may grant options the exercise of which shall be expressly subject to the condition that the Plan shall have been approved by the stockholders of the Company.

SECTION 2

DEFINITIONS

2.1 Definitions. The following terms shall have the meanings set forth below:

(a) "Affiliated Corporation" means any corporation or other entity (including but not limited to a partnership) which is affiliated with Apache Corporation through stock ownership or otherwise and is treated as a common employer under the provisions of Sections 414(b) and (c) or any successor section(s) of the Internal Revenue Code.

(b) "Board" means the Board of Directors of the Company.

(c) "Committee" means the Stock Option Plan Committee of the Board, which is empowered hereunder to take actions in the administration of the Plan. The Committee shall be constituted at all times as to permit the Plan to comply with: (i) Rule 16b-3 or any successor rule(s) promulgated under the Securities Exchange Act of 1934, as amended (the "1934 Act"), and (ii) Section 162(m) or any successor section(s) of the Internal Revenue Code and the regulations promulgated thereunder.

(d) "Deferred Delivery Plan" means the Company's Deferred Delivery Plan, effective as of February 10, 2000 and as it may be amended from time to time, or any successor plan.

(e) "Depositary Shares" means the depositary shares representing the Company's preferred stock convertible into Stock.

(f) "Eligible Employees" means those full-time key employees
(including, without limitation, officers and directors who are also employees) of the Company or any division thereof, upon whose judgment, initiative and efforts the Company is, or will become, largely dependent for the successful conduct of its business.

(g) "Fair Market Value" means the closing price of the Stock as reported on the New York Stock Exchange, Inc. Composite Transactions Reporting System for a particular date. If there are no Stock transactions on such date, the Fair Market Value shall be determined as of the immediately preceding date on which there were Stock transactions.

(h) "Internal Revenue Code" means the Internal Revenue Code of 1986, as it may be amended from time to time.

(i) "Option" means a right to purchase Stock at a stated price for a specified period of time. All Options granted under the Plan shall be Options which are not "incentive stock options" as described in Section 422 or any successor section(s) of the Internal Revenue Code.

(j) "Option Price" means the price at which shares of Stock subject to an Option may be purchased, determined in accordance with subsection 7.2(b) hereof.

(k) "Participant" means an Eligible Employee designated by the Committee from time to time during the term of the Plan to receive one or more Options under the Plan.

(l) "Stock" means the $1.25 par value Common Stock of the Company.

2.2 Headings; Gender and Number. The headings contained in the Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan. Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

SECTION 3

PLAN ADMINISTRATION

The Plan shall be administered by the Committee. In accordance with the provisions of the Plan, the Committee shall, in its sole discretion, select the Participants from among the Eligible Employees, determine the Options to be granted pursuant to the Plan, the number of shares of Stock to be issued thereunder, the time at which such Options are to be granted, fix the Option Price, and establish such other terms and requirements as the Committee may deem necessary, or desirable and consistent with the terms of the Plan. The Committee shall determine the form or forms of the agreements with Participants which shall evidence the particular provisions, terms, conditions, rights and duties of the Company and the Participants with respect to Options granted pursuant to the Plan, which provisions need not be identical except as may be provided herein. The Committee may from time to time adopt such rules and regulations for carrying out the purposes of the Plan as it may deem proper and in the best interests of the Company. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan, or in any agreement entered into hereunder, in the manner and to the extent it shall deem expedient and it shall be the sole and final judge of such expediency. No member of the Committee shall be liable for any action or determination made in good faith. The determination, interpretations and other actions of the Committee pursuant to the provisions of the Plan shall be binding and conclusive for all purposes and on all persons.

The Plan is intended to comply with the requirements of Section 162 or any successor section(s) of the Internal Revenue Code ("Section 162") as to any "covered employee" as defined in Section 162, and shall be administered, interpreted and construed consistently therewith. In accordance with this intent, the amount of income a Participant may receive from Options granted under the Plan shall be based solely on an increase in the value of the Stock after the date of the grant of the Option, or such other bases as may be permitted by applicable law. The Committee is authorized to take such additional action, if any, that may be required to ensure that the Plan satisfies the requirements of Section 162 and the regulations promulgated or revenue rulings published thereunder.

SECTION 4

STOCK SUBJECT TO THE PLAN

4.1 Number of Shares. Subject to Section 7.1 and to adjustment pursuant to
Section 4.3 hereof, two million five hundred thousand (2,500,000) shares of Stock are authorized for issuance under the Plan in accordance with the provisions of the Plan and subject to such restrictions or other provisions as the Committee may from time to time deem necessary. This authorization may be increased from time to time by approval of the Board and the stockholders of the Company if, in the opinion of counsel for the Company, such stockholder approval is required. Shares of Stock which may be issued upon exercise of Options shall be applied to reduce the maximum number of shares of Stock remaining available for use under the Plan. The Company shall at all times during the term of the Plan and while any Options are outstanding retain as authorized and unissued Stock, or as Stock in the Company's treasury, at least the number of shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations hereunder.

4.2 Other Shares of Stock. Any shares of Stock that are subject to an Option which expires, is forfeited, is cancelled, or for any reason is terminated unexercised, and any shares of Stock that for any other reason are not issued to a Participant or are forfeited shall automatically become available for use under the Plan.

4.3 Adjustments for Stock Split, Stock Dividend, Etc. If the Company shall at any time increase or decrease the number of its outstanding shares of Stock or change in any way the rights and privileges of such shares by means of the payment of a Stock dividend or any other distribution upon such shares payable in Stock, or through a Stock split, subdivision, consolidation, combination, reclassification or recapitalization involving the Stock, then in relation to the Stock that is affected by one or more of the above events, the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence: (i) the shares of Stock as to which Options may be granted under the Plan; and (ii) the shares of the Stock then included in each outstanding Option granted hereunder.

4.4 Dividend Payable in Stock of Another Corporation, Etc. If the Company shall at any time pay or make any dividend or other distribution upon the Stock payable in securities or other property (except money or Stock), a proportionate part of such securities or other property shall be set aside and delivered to any Participant then holding an Option for the particular type of Stock for which the dividend or other distribution was made, upon exercise thereof. Prior to the time that any such securities or other property are delivered to a Participant in accordance with the foregoing, the Company shall be the owner of such securities or other property and shall have the right to vote the securities, receive any dividends payable on such securities, and in all other respects shall be treated as the owner. If securities or other property which have been set aside by the Company in accordance with this Section are not delivered to a Participant because an Option is not exercised, then such securities or other property shall remain the property of the Company and shall be dealt with by the Company as it shall determine in its sole discretion.

4.5 Other Changes in Stock. In the event there shall be any change, other than as specified in Sections 4.3 and 4.4 hereof, in the number or kind of outstanding shares of Stock or of any stock or other securities into which the Stock shall be changed or for which it shall have been exchanged, and if the Committee shall in its discretion determine that such change equitably requires an adjustment in the number or kind of shares subject to outstanding Options or which have been reserved for issuance pursuant to the Plan but are not then subject to an Option, then such adjustments shall be made by the Committee and shall be effective for all purposes of the Plan and on each outstanding Option that involves the particular type of stock for which a change was effected.

4.6 Rights to Subscribe. If the Company shall at any time grant to the holders of its Stock rights to subscribe pro rata for additional shares thereof or for any other securities of the Company or of any other corporation, there shall be reserved with respect to the shares then under Option to any Participant of the particular class of Stock involved the Stock or other securities which the Participant would have been entitled to subscribe for if immediately prior to such grant the Participant had exercised his entire Option. If, upon exercise of any such Option, the Participant subscribes for the additional shares or other securities, the Option Price shall be increased by the amount of the price that is payable by the Participant for such additional shares or other securities.

4.7 General Adjustment Rules. No adjustment or substitution provided for in this
Section 4 shall require the Company to sell a fractional share of Stock under any Option, or otherwise issue a fractional share of Stock, and the total substitution or adjustment with respect to each Option shall be limited by deleting any fractional share. In the case of any such substitution or adjustment, the total Option Price for the shares of Stock then subject to the Option shall remain unchanged but the Option Price per share under each such

Option shall be equitably adjusted by the Committee to reflect the greater or lesser number of shares of Stock or other securities into which the Stock subject to the Option may have been changed.

4.8 Determination by the Committee, Etc. Adjustments under this Section 4 shall be made by the Committee, whose determinations with regard thereto shall be final and binding upon all parties thereto.

SECTION 5

REORGANIZATION OR LIQUIDATION

In the event that the Company is merged or consolidated with another corporation and the Company is not the surviving corporation, or if all or substantially all of the assets or more than 20 percent of the outstanding voting stock of the Company is acquired by any other corporation, business entity or person, or in case of a reorganization (other than a reorganization under the United States Bankruptcy Code) or liquidation of the Company, and if the provisions of Section 8 hereof do not apply, the Committee, or the board of directors of any corporation assuming the obligations of the Company, shall, as to the Plan and outstanding Options either (i) make appropriate provision for the adoption and continuation of the Plan by the acquiring or successor corporation and for the protection of any such outstanding Options by the substitution on an equitable basis of appropriate stock of the Company or of the merged, consolidated or otherwise reorganized corporation which will be issuable with respect to the Stock, provided that no additional benefits shall be conferred upon the Participants holding such Options as a result of such substitution, and the excess of the aggregate Fair Market Value of the shares subject to the Options immediately after such substitution over the Option Price thereof is not more than the excess of the aggregate Fair Market Value of the shares subject to such Options immediately before such substitution over the Option Price thereof, or
(ii) upon written notice to the Participants, provide that all unexercised Options shall be exercised within a specified number of days of the date of such notice or such Options will be terminated. In the latter event, the Committee shall accelerate the vesting dates of outstanding Options so that all Options become fully vested and exercisable prior to any such event.

SECTION 6

PARTICIPATION

Participants in the Plan shall be those Eligible Employees who, in the judgment of the Committee, are performing, or during the term of their incentive arrangement will perform, vital services in the management, operation and development of the Company or an Affiliated Corporation, and significantly contribute, or are expected to significantly contribute, to the achievement of the Company's long-term corporate economic objectives. Participants may be granted from time to time one or more Options; provided, however, that the grant of each such Option shall be separately approved by the Committee, and receipt of one such Option shall not result in automatic receipt of any other Option. Upon determination by the Committee that an Option is to be granted to a Participant, written notice shall be given to such person, specifying the terms, conditions, rights and duties related thereto. Each Participant shall, if required by the Committee, enter into an agreement with the Company, in such form as the Committee shall determine and which is consistent with the provisions of the Plan, specifying such terms, conditions, rights and duties. Options shall be deemed to be granted as of the date specified in the grant resolution of the Committee, which date shall be the date of any related agreement with the Participant. In the event of any inconsistency between the provisions of the Plan and any such agreement entered into hereunder, the provisions of the Plan shall govern.

SECTION 7

STOCK OPTIONS

7.1 Grant of Stock Options. Coincident with or following designation for participation in the Plan, an Eligible Employee may be granted one or more Options. Grants of Options under the Plan shall be made by the Committee. In no event shall the exercise of one Option affect the right to exercise any other Option or affect the number of shares of Stock for which any other Option may be exercised, except as provided in subsection 7.2(j) hereof. During the life of the Plan, no Eligible Employee may be granted Options which in the aggregate pertain to in excess of 25 percent of the total shares of Stock authorized under the Plan.

7.2 Stock Option Agreements. Each Option granted under the Plan shall be evidenced by a written stock option agreement which shall be entered into by the Company and the Participant to whom the Option is granted (the "Stock Option Agreement"), and which shall contain the following terms and conditions, as well as such other terms and conditions, not inconsistent therewith, as the Committee may consider appropriate in each case.

(a) Number of Shares. Each Stock Option Agreement shall state that it covers a specified number of shares of Stock, as determined by the Committee.

(b) Price. The price at which each share of Stock covered by an Option may be purchased shall be determined in each case by the Committee and set forth in the Stock Option Agreement, but in no event shall the price be less than the Fair Market Value of the Stock on the date the Option is granted.

(c) Duration of Options; Employment Required For Exercise. Each Stock Option Agreement shall state the period of time, determined by the Committee, within which the Option may be exercised by the Participant (the "Option Period"). The Option Period must end, in all cases, not more than ten years from the date an Option is granted. Except as otherwise provided in Sections 5 and 8 and subsection 7.2(d)(iv) hereof, each Option granted under the Plan shall become exercisable in increments such that 25 percent of the Option will become exercisable on each of the four subsequent one-year anniversaries of the date the Option is granted, but each such additional 25-percent increment shall become exercisable only if the Participant has been continuously employed by the Company from the date the Option is granted through the date on which each such additional 25-percent increment becomes exercisable.

(d) Termination of Employment, Death, Disability, Etc. Each Stock Option Agreement shall provide as follows with respect to the exercise of the Option upon termination of the employment or the death of the Participant:

(i) If the employment of the Participant by the Company is terminated within the Option Period for cause, as determined by the Company, the Option shall thereafter be void for all purposes. As used in this subsection 7.2(d), "cause" shall mean a gross violation, as determined by the Company, of the Company's established policies and procedures, provided that the effect of this subsection 7.2(d) shall be limited to determining the consequences of a termination and that nothing in this subsection 7.2(d) shall restrict or otherwise interfere with the Company's discretion with respect to the termination of any employee.

(ii) If the Participant retires from employment by the Company on or after attaining age 65, the Option may be exercised by the Participant within 36 months following his or her retirement (provided that such exercise must occur within the Option Period), but not thereafter. In the event of the Participant's death during such 36-month period, each Option may be exercised by those entitled to do so in the manner referred to in (iv) below. In any such case the Option may be exercised only as to the shares as to which the Option had become exercisable on or before the date of the Participant's retirement.

(iii) If the Participant becomes disabled (as determined pursuant to the Company's Long-Term Disability Plan or any successor plan), during the Option Period while still employed, or within the three-month period referred to in (v) below, or within the 36-month period referred to in (ii) above, the Option may be exercised by the Participant or by his or her guardian or legal representative, within twelve months following the Participant's disability, or within the 36-month period referred to in (ii) if applicable and if longer (provided that such exercise must occur within the Option Period), but not thereafter. In the event of the Participant's death during such twelve-month period, each Option may be exercised by those entitled to do so in the manner referred to in (iv) below. In any such case, the Option may be exercised only as to the shares of Stock as to which the Option had become exercisable on or before the date of the Participant's disability.

(iv) In the event of the Participant's death while still employed by the Company, each Option of the deceased Participant may be exercised by those entitled to do so under the Participant's will or under the laws of descent and distribution within twelve months following the Participant's death (provided that in any event such exercise must occur within the Option Period), but not thereafter, as to all shares of Stock which are subject to such Option, including each 25-percent increment of the Option, if any, which has not yet become exercisable at the time of the Participant's death. In the event of the Participant's death within the 36-month period referred to in (ii) above or within the twelve-month period referred to in (iii) above, each Option of the deceased Participant that is exercisable at the time of death may be exercised by those entitled to do so under the Participant's will or under the laws of descent and distribution within twelve months following the Participant's death or within the 36-month period referred to in
(ii), if applicable and if longer (provided that in any event such exercise must occur within the Option Period). The provisions of this paragraph (iv) of subsection 7.2(d) shall be applicable to each Stock Option Agreement as if set forth therein word for word. Each Stock Option Agreement executed by the Company prior to the adoption of this provision shall be deemed amended to include the provisions of this paragraph and all Options granted pursuant to such Stock Option Agreements shall be exercisable as provided herein.

(v) If the employment of the Participant by the Company is terminated (which for this purpose means that the Participant is no longer employed by the Company or by an Affiliated Corporation) within the Option Period for any reason other than cause, the Participant's retirement on or after attaining age 65, the Participant's disability or death, the Option may be exercised by the Participant within three months following the date of such termination (provided that such exercise must occur within the Option Period), but not thereafter. In any such case, the Option may be exercised only as to the shares as to which the Option had become exercisable on or before the date of termination of the Participant's employment.

(e) Transferability. Each Stock Option Agreement shall provide that the Option granted therein is not transferable by the Participant except by will or pursuant to the laws of descent and distribution, and that such Option is exercisable during the Participant's lifetime only by him or her, or in the event of the Participant's disability or incapacity, by his or her guardian or legal representative.

(f) Agreement to Continue in Employment. Each Stock Option Agreement shall contain the Participant's agreement to remain in the employment of the Company, at the pleasure of the Company, for a continuous period of at least one year after the date of such Stock Option Agreement, at the salary rate in effect on the date of such agreement or at such changed rate as may be fixed, from time to time, by the Company.

(g) Exercise, Payments, Etc.

(i) Each Stock Option Agreement shall provide that the method for exercising the Option granted therein shall be by delivery to the Office of the Secretary of the Company of written notice specifying the number of shares of Stock with respect to which such Option is exercised and payment of the Option Price. Such notice shall be in a form satisfactory to the Committee and shall specify the particular Options (or portions thereof) which are being exercised and the number of shares of Stock with respect to which the Options are being exercised. The exercise of the Option shall be deemed effective on the date such notice is received by the Office of the Secretary and payment is made to the Company of the Option Price (the "Exercise Date"). If requested by the Company, such notice shall contain the Participant's representation that he or she is purchasing the Stock for investment purposes only and his or her agreement not to sell any Stock so purchased in any manner that is in violation of the Securities Act of 1933, as amended, or any applicable state law. Such restriction, or notice thereof, shall be placed on the certificates representing the Stock so purchased. The purchase of such Stock shall take place at the principal offices of the Company upon delivery of such notice, at which time the Option Price shall be paid in full by any of the methods or any combination of the methods set forth in (iii) below.

(ii) Except as referenced below in connection with the Deferred Delivery Plan, the shares of Stock to which the Participant is entitled as a result of the exercise of the Option shall be issued by the Company and (A) delivered by electronic means to an account designated by the Participant, or (B) delivered to the Participant in the form of a properly executed certificate or certificates representing such shares of Stock. If Shares of Stock and/or Depositary Shares are used to pay all or part of the Option Price, the

Company shall issue and deliver to the Participant the additional shares of Stock, in excess of the Option Price or portion thereof paid using shares of Stock or Depositary Shares, to which the Participant is entitled as a result of the Option exercise. If the Participant exercising an Option (x) is eligible for participation in the Deferred Delivery Plan, (y) pays the Option Price pursuant to (iii)(C) or (D) below, and (z) has made an irrevocable election at least six months prior to the Exercise Date as required under the Deferred Delivery Plan, the income resulting from the Option exercise shall be deferred into the Participant's Deferred Delivery Plan account and no additional shares of Stock shall be delivered to the Participant.

(iii) the Option Price shall be paid by any of the following methods or any combination of the following methods:

(A) in cash, including the wire transfer of funds to one of the Company's bank accounts located in the United States, with such bank account to be designated from time to time by the Company;

(B) by personal, certified or cashier's check payable to the order of the Company;

(C) by delivery to the Company of certificates representing a number of shares of Stock then owned by the Participant, the Fair Market Value (as of the Exercise Date) of which is not greater than the Option Price of the Option being exercised, properly endorsed for transfer to the Company; provided however, that the shares of Stock used for this purpose must have been owned by the Participant for a period of at least six months;

(D) by certification or attestation to the Company of the Participant's ownership as of the Exercise Date of the number of (1) shares of Stock and/or (2) Depositary Shares, the Fair Market Value (as of the Exercise Date) of which is not greater than the Option Price of the Option being exercised; provided however, that the shares of Stock and/or Depositary Shares used for this purpose must have been owned by the Participant for a period of at least six months.

(E) by delivery to the Company of a properly executed notice of exercise together with irrevocable instructions to a broker to promptly deliver to the Company, by wire transfer or check as noted in (A) and (B) above, the amount of the proceeds of the sale of all or a portion of the Stock or of a loan from the broker to the Participant necessary to pay the Option Price.

(h) Date of Grant. An Option shall be considered as having been granted on the date specified in the grant resolution of the Committee.

(i) Tax Withholding. Each Stock Option Agreement shall provide that, upon exercise of the Option, the Participant shall make appropriate arrangements with the Company to provide for the amount of tax withholding required by Sections 3102 and 3402 or any successor section(s) of the Internal Revenue Code and applicable state and local income tax laws including, as provided in Section 13 hereof, payment of such taxes (A) through delivery of shares of Stock, (B) by certification or attestation of shares of Stock or Depositary Shares, or (C) by withholding shares of Stock otherwise issuable upon exercise of the Option.

(j) Adjustment of Options. Subject to the provisions of Sections 4, 5, 7, 8 and 12 hereof, the Committee may make any adjustment in the number of shares of Stock covered by, or the terms of an outstanding Option and a subsequent granting of an Option, by amendment or by substitution for an outstanding Option; however, except as provided in Sections 4, 5, 8 and 12 hereof, the Committee may not adjust the Option Price of any outstanding Option. Such amendment or substitution may result in terms and conditions (including the number of shares of Stock covered, vesting schedule or Option Period) that differ from the terms and conditions of the original Option. The Committee may not, however, adversely affect the rights of any Participant to previously granted Options without the consent of such Participant. If such action is effected by amendment, the effective date of grant of such amendment will be the date of grant of the original Option.

7.3 Stockholder Privileges. No Participant shall have any rights as a stockholder with respect to any shares of Stock covered by an Option until the Participant becomes the holder of record of such Stock. Except as provided in
Section 4 hereof, no adjustments shall be made for dividends or other distributions or other rights as to which there is a record date preceding the date on which such Participant becomes the holder of record of such Stock.

SECTION 8

CHANGE IN CONTROL

8.1 In General. In the event of a change in control of the Company as defined in
Section 8.3 hereof, then the Committee may, in its sole discretion, without obtaining stockholder approval, to the extent permitted in Section 12 hereof, take any or all of the following actions: (a) accelerate the dates on which any outstanding Options become exercisable or make all such Options fully vested and exercisable; (b) grant a cash bonus

award to any Participant in an amount necessary to pay the Option Price of all or any portion of the Options then held by such Participant; (c) pay cash to any or all Participants in exchange for the cancellation of their outstanding Options in an amount equal to the difference between the Option Price of such Options and the greater of the tender offer price for the underlying Stock or the Fair Market Value of the Stock on the date of the cancellation of the Options; and (d) make any other adjustments or amendments to the outstanding Options.

8.2 Limitation on Payments. If the provisions of this Section 8 would result in the receipt by any Participant of a payment within the meaning of Section 280G or any successor section(s) of the Internal Revenue Code, and the regulations promulgated thereunder, and if the receipt of such payment by any Participant would, in the opinion of independent tax counsel of recognized standing selected by the Company, result in the payment by such Participant of any excise tax provided for in Sections 280G and 4999 or any successor section(s) of the Internal Revenue Code, then the amount of such payment shall be reduced to the extent required, in the opinion of independent tax counsel, to prevent the imposition of such excise tax; provided, however, that the Committee, in its sole discretion, may authorize the payment of all or any portion of the amount of such reduction to the Participant.

8.3 Definition. For purposes of the Plan, a "change in control" shall mean any of the events specified in the Company's Income Continuance Plan or any successor plan which constitute a change in control within the meaning of such plan.

SECTION 9

RIGHTS OF EMPLOYEES, PARTICIPANTS

9.1 Employment. Nothing contained in the Plan or in any Option granted under the Plan shall confer upon any Participant any right with respect to the continuation of his or her employment by the Company or any Affiliated Corporation, or interfere in any way with the right of the Company or any Affiliated Corporation, subject to the terms of any separate employment agreement to the contrary, at any time to terminate such employment or to increase or decrease the level of the Participant's compensation from the level in existence at the time of the grant of an Option. Whether an authorized leave of absence, or absence in military or government service, shall constitute a termination of employment shall be determined by the Committee at the time.

9.2 Nontransferability. No right or interest of any Participant in an Option granted pursuant to the Plan shall be assignable or transferable during the lifetime of the Participant, either voluntarily or involuntarily, or subjected to any lien, directly or indirectly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge or bankruptcy. In the event of a Participant's death, a Participant's rights and interests in Options shall, to the extent provided in Section 7 hereof, be transferable by testamentary will or the laws of descent and distribution, and payment of any amounts due under the Plan shall be made to, and exercise of any Options may be made by, the Participant's legal representatives, heirs or legatees. If in the opinion of the Committee, a person entitled to payments or to exercise rights with respect to the Plan is disabled from caring for his or her affairs because of mental condition, physical condition or age, payment due such person may be made to, and such rights shall be exercised by, such person's guardian, conservator or other legal personal representative upon furnishing the Committee with evidence satisfactory to the Committee of such status.

SECTION 10

GENERAL RESTRICTIONS

10.1 Investment Representations. The Company may require a Participant, as a condition of exercising an Option, to give written assurances in substance and form satisfactory to the Company and its counsel to the effect that such person is acquiring the Stock subject to the Option for his own account for investment and not with any present intention of selling or otherwise distributing the same, and to such other effects as the Company deems necessary or appropriate in order to comply with federal and applicable state securities laws.

10.2 Compliance with Securities Laws. Each Option shall be subject to the requirement that, if at any time counsel to the Company shall determine that the listing, registration or qualification of the shares of Stock subject to such Option upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, is necessary as a condition of, or in connection with, the issuance or purchase of shares of Stock thereunder, such Option may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Committee. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, qualification, consent or approval.

SECTION 11

OTHER EMPLOYEE BENEFITS

The amount of any income deemed to be received by a Participant as a result of the exercise of an Option shall not constitute "earnings" or "compensation" with respect to which any other employee benefits of such Participant are determined, including without limitation benefits under any pension, profit sharing, life insurance or salary continuation plan.

SECTION 12

PLAN AMENDMENT, MODIFICATION AND TERMINATION

The Board may at any time terminate, and from time to time may amend or modify the Plan provided, however, that no amendment or modification may become effective without approval of the amendment or modification by the Company's stockholders if stockholder approval is required to enable the Plan to satisfy any applicable statutory or regulatory requirements, or if the Company, on the advice of counsel, determines that stockholder approval is otherwise necessary or desirable.

No amendment, modification or termination of the Plan shall in any manner adversely affect any Option theretofore granted under the Plan, without the consent of the Participant holding such Option.

SECTION 13

WITHHOLDING

13.1 Withholding Requirement. The Company's obligations to deliver shares of Stock upon the exercise of an Option, or to defer income resulting from an Option exercise into the Deferred Delivery Plan, shall be subject to the Participant's satisfaction of all applicable federal, state and local income and other tax withholding requirements.

13.2 Satisfaction of Required Withholding. At the time the Committee grants an Option, it may, in its sole discretion, grant the Participant an election to pay all such amounts of required tax withholding, or any part thereof:

(a) by the delivery to the Company of a number of shares of Stock then owned by the Participant, the Fair Market Value (as of the Exercise Date) of which is not greater than the amount required to be withheld, provided that such shares have been held by the Participant for a period of at least six months;

(b) by certification or attestation to the Company of the Participant's ownership as of the Exercise Date of a number of shares of Stock and/or Depositary Shares, the Fair Market Value (as of the Exercise Date) of which is not greater than the amount required to be withheld, provided that such shares of Stock and/or Depositary Shares have been owned by the Participant for a period of at least six months; or

(c) by the Company withholding from the shares of Stock otherwise issuable to the Participant upon exercise of the Option, a number of shares of Stock, the Fair Market Value (as of the Exercise Date) of which is not greater than the amount required to be withheld. Any such elections by Participants to have shares of Stock withheld for this purpose will be subject to the following restrictions:

(i) all elections shall be made on or prior to the Exercise Date; and

(ii) all elections shall be irrevocable.

13.3 Excess Withholding. At the time the Committee grants an Option, it may, in its sole discretion, grant the Participant an election to pay additional or excess amounts of tax withholding, beyond the required amounts and up to the Participant's marginal tax rate:

(a) by delivery to the Company of a number of Shares of Stock then owned by the Participant, the Fair Market Value (as of the Exercise Date) of which is not greater than such excess withholding amount, provided that such shares of Stock have been owned by the Participant for a period of at least six months; or

(b) by certification or attestation to the Company of the Participant's ownership as of the Exercise Date of a number of shares of Stock and/or Depositary Shares, the Fair Market Value (as of the Exercise Date) of which is not greater than such excess withholding amount, provided that such shares of Stock and/or Depositary Shares have been owned by the Participant for a period of at least six months.

13.4 Section 16 Requirements. If the Participant is an officer or director of the Company within the meaning of Section 16 or any successor section(s) of the 1934 Act ("Section 16"), the Participant must satisfy the requirements of such Section 16 and any applicable rules and regulations thereunder with respect to the use of shares of Stock and/or Depositary Shares to satisfy such tax withholding obligation.

SECTION 14

REQUIREMENTS OF LAW

14.1 Requirements of Law. The issuance of Stock and the payment of cash pursuant to the Plan shall be subject to all applicable laws, rules and regulations.

14.2 Federal Securities Laws Requirements. If a Participant is an officer or director of the Company within the meaning of Section 16, Options granted hereunder shall be subject to all conditions required under Rule 16b-3, or any successor rule(s) promulgated under the 1934 Act, to qualify the Option for any exception from the provisions of Section 16 available under such Rule. Such conditions are hereby incorporated herein by reference and shall be set forth in the agreement with the Participant which describes the Option.

14.3 Governing Law. The Plan and all Stock Option Agreements hereunder shall be construed in accordance with and governed by the laws of the State of Texas.

SECTION 15

DURATION OF THE PLAN

The Plan shall terminate at such time as may be determined by the Board, and no Option shall be granted after such termination. If not sooner terminated under the preceding sentence, the Plan shall fully cease and expire at midnight on May 4, 2000. Options outstanding at the time of the Plan termination shall continue to be exercisable in accordance with the Stock Option Agreement pertaining to such Option.

Dated: February 10, 2000

APACHE CORPORATION

ATTEST:

/s/ Cheri L. Peper	*By:*	*/s/ Daniel L. Schaeffer*
Cheri L. Peper		*Daniel L. Schaeffer*
Corporate Secretary		*Vice President*

EXHIBIT 10.26

APACHE CORPORATION

1998 STOCK OPTION PLAN

(AS AMENDED AND RESTATED
EFFECTIVE FEBRUARY 10, 2000)

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APACHE CORPORATION

1998 STOCK OPTION PLAN

SECTION 1

INTRODUCTION

1.1 Establishment. Apache Corporation, a Delaware corporation (hereinafter referred to, together with its Affiliated Corporations (as defined in Section 2.1 hereof) as the "Company" except where the context otherwise requires), hereby establishes the Apache Corporation 1998 Stock Option Plan (the "Plan") for Eligible Employees (as defined in Section 2.1 hereof). The Plan permits the grant of stock options to Eligible Employees selected by the Committee (as defined in Section 2.1 hereof).

1.2 Purposes. The purposes of the Plan are to provide the Eligible Employees designated by the Committee for participation in the Plan with added incentives to continue in the long-term service of the Company and to create in such employees a more direct interest in the future success of the operations of the Company by relating incentive compensation to increases in stockholder value, so that the income of those employees is more closely aligned with the interests of the Company's stockholders. The Plan is also designed to attract outstanding individuals and to retain and motivate Eligible Employees by providing an opportunity for investment in the Company.

1.3 Effective Date. The Effective Date of the Plan (the "Effective Date") shall be February 6, 1998. This Plan and each option granted hereunder is conditioned on and shall be of no force or effect until approval of the Plan by the holders of the shares of voting stock of the Company unless the Company, on the advice of counsel, determines that stockholder approval is not necessary. The Committee may grant options the exercise of which shall be expressly subject to the condition that the Plan shall have been approved by the stockholders of the Company.

SECTION 2

DEFINITIONS

2.1 Definitions. The following terms shall have the meanings set forth below:

(a) "Affiliated Corporation" means any corporation or other entity (including but not limited to a partnership) which is affiliated with Apache Corporation through stock ownership or otherwise and is treated as a common employer under the provisions of Sections 414(b) and (c) or any successor section(s) of the Internal Revenue Code.

(b) "Board" means the Board of Directors of the Company.

(c) "Committee" means the Stock Option Plan Committee of the Board, which is empowered hereunder to take actions in the administration of the Plan. The Committee shall be constituted at all times as to permit the Plan to comply with: (i) Rule 16b-3 or any successor rule(s) promulgated under the Securities Exchange Act of 1934, as amended (the "1934 Act"), and (ii) Section 162(m) or any successor section(s) of the Internal Revenue Code and the regulations promulgated thereunder.

(d) "Deferred Delivery Plan" means the Company's Deferred Delivery Plan, effective as of February 10, 2000 and as it may be amended from time to time, or any successor plan.

(e) "Depositary Shares" means the Depositary shares representing the Company's preferred stock convertible into Stock.

(f) "Eligible Employees" means full-time employees (including, without limitation, officers and directors who are also employees) of the Company or any division thereof.

(g) "Fair Market Value" means the closing price of the Stock or Depositary Shares, as applicable, as reported on the New York Stock Exchange, Inc. Composite Transactions Reporting System for a particular date. If there are no Stock or Depositary Shares, as applicable, transactions on such date, the Fair Market Value shall be determined as of the immediately preceding date on which there were Stock or Depositary Shares, as applicable, transactions.

(h) "Internal Revenue Code" means the Internal Revenue Code of 1986, as it may be amended from time to time.

(i) "Option" means a right to purchase Stock at a stated price for a specified period of time. All Options granted under the Plan shall be Options which are not "incentive stock options" as described in Section 422 or any successor section(s) of the Internal Revenue Code.

(j) "Option Price" means the price at which shares of Stock subject to an Option may be purchased, determined in accordance with subsection 7.2(b) hereof.

(k) "Participant" means an Eligible Employee designated by the Committee from time to time during the term of the Plan to receive one or more Options under the Plan.

(l) "Stock" means the $1.25 par value Common Stock of the Company.

2.2 Headings; Gender and Number. The headings contained in the Plan are for reference purposes only and shall not affect in any way the meaning or interpretation of the Plan. Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

SECTION 3

PLAN ADMINISTRATION

The Plan shall be administered by the Committee. In accordance with the provisions of the Plan, the Committee shall, in its sole discretion, select the Participants from among the Eligible Employees, determine the Options to be granted pursuant to the Plan, the number of shares of Stock to be issued thereunder, the time at which such Options are to be granted, fix the Option Price, and establish such other terms and requirements as the Committee may deem necessary or desirable and consistent with the terms of the Plan. The Committee shall determine the form or forms of the agreements with Participants which shall evidence the particular provisions, terms, conditions, rights and duties of the Company and the Participants with respect to Options granted pursuant to the Plan, which provisions need not be identical except as may be provided herein. The Committee may from time to time adopt such rules and regulations for carrying out the purposes of the Plan as it may deem proper and in the best interests of the Company. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan, or in any agreement entered into hereunder, in the manner and to the extent it shall deem expedient and it shall be the sole and final judge of such expediency. No member of the Committee shall be liable for any action or determination made in good faith. The determination, interpretations and other actions of the Committee pursuant to the provisions of the Plan shall be binding and conclusive for all purposes and on all persons.

The Plan is intended to comply with the requirements of Section 162(m) or any successor section(s) of the Internal Revenue Code ("Section 162(m)") as to any "covered employee" as defined in Section 162(m), and shall be administered, interpreted and construed consistently therewith. In accordance with this intent, the amount of income a Participant may receive from Options granted under the Plan shall be based solely on an increase in the value of the Stock after the date of the grant of the Option, or such other bases as may be permitted by applicable law. The Committee is authorized to take such additional action, if any, that may be required to ensure that the Plan satisfies the requirements of Section 162(m) and the regulations promulgated or revenue rulings published thereunder.

SECTION 4

STOCK SUBJECT TO THE PLAN

4.1 Number of Shares. Subject to Section 7.1 and to adjustment pursuant to Section 4.3 hereof, two million five hundred thousand (2,500,000) shares of Stock are authorized for issuance under the Plan in accordance with the provisions of the Plan and subject to such restrictions or other provisions as the Committee may from time to time deem necessary. This authorization may be increased from time to time by approval of the Board and the stockholders of the Company if, in the opinion of counsel for the Company, such stockholder approval is required. Shares of Stock which may be issued upon exercise of Options shall be applied to reduce the maximum number of shares of Stock remaining available for use under the Plan. The Company shall at all times during the term of the Plan and while any Options are outstanding retain as authorized and unissued Stock, or as Stock in the Company's treasury, at least the number of shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations hereunder.

4.2 Other Shares of Stock. Any shares of Stock that are subject to an Option which expires, is forfeited, is cancelled, or for any reason is terminated unexercised, and any shares of Stock that for any other reason are not issued to a Participant or are forfeited shall automatically become available for use under the Plan.

4.3 Adjustments for Stock Split, Stock Dividend, Etc. If the Company shall at any time increase or decrease the number of its outstanding shares of Stock or change in any way the rights and privileges of such shares by means of the payment of a Stock dividend or any other distribution upon such shares payable in Stock, or through a Stock split, subdivision, consolidation, combination, reclassification or recapitalization involving the Stock, then in relation to the Stock that is affected by one or more of the above events, the numbers, rights and privileges of the following shall be increased, decreased or changed in like manner as if they had been issued and outstanding, fully paid and nonassessable at the time of such occurrence: (i) the shares of Stock as to which Options may be granted under the Plan; and (ii) the shares of the Stock then included in each outstanding Option granted hereunder.

4.4 Dividend Payable in Stock of Another Corporation, Etc. If the Company shall at any time pay or make any dividend or other distribution upon the Stock payable in securities or other property (except money or Stock), a proportionate part of such securities or other property shall be set aside and delivered to any Participant then holding an Option for the particular type of Stock for which the dividend or other distribution was made, upon exercise thereof. Prior to the time that any such securities or other property are delivered to a Participant in accordance with the foregoing, the Company shall be the owner of such securities or other property and shall have the right to vote the securities, receive any dividends payable on such securities, and in all other respects shall be treated as the owner. If securities or other property which have been set aside by the Company in accordance with this Section are not delivered to a Participant because an Option is not exercised, then such securities or other property shall remain the property of the Company and shall be dealt with by the Company as it shall determine in its sole discretion.

4.5 Other Changes in Stock. In the event there shall be any change, other than as specified in Sections 4.3 and 4.4 hereof, in the number or kind of outstanding shares of Stock or of any stock or other securities into which the Stock shall be changed or for which it shall have been exchanged, and if the Committee shall in its discretion determine that such change equitably requires an adjustment in the number or kind of shares subject to outstanding Options or which have been reserved for issuance pursuant to the Plan but are not then subject to an Option, then such adjustments shall be made by the Committee and shall be effective for all purposes of the Plan and on each outstanding Option that involves the particular type of stock for which a change was effected.

4.6 Rights to Subscribe. If the Company shall at any time grant to the holders of its Stock rights to subscribe pro rata for additional shares thereof or for any other securities of the Company or of any other corporation, there shall be reserved with respect to the shares then under Option to any Participant of the particular class of Stock involved the Stock or other securities which the Participant would have been entitled to subscribe for if immediately prior to such grant the Participant had exercised his entire Option. If, upon exercise of any such Option, the Participant subscribes for the additional shares or other securities, the Option Price shall be increased by the amount of the price that is payable by the Participant for such additional shares or other securities.

4.7 General Adjustment Rules. No adjustment or substitution provided for in this
Section 4 shall require the Company to sell a fractional share of Stock under any Option, or otherwise issue a fractional share of Stock, and the total substitution or adjustment with respect to each Option shall be limited by deleting any fractional share. In the case of any such substitution or adjustment, the total Option Price for the shares of Stock then subject to the Option shall remain unchanged but the Option Price per share under each such Option shall be equitably adjusted by the Committee to reflect the greater or lesser number of shares of Stock or other securities into which the Stock subject to the Option may have been changed.

4.8 Determination by the Committee, Etc. Adjustments under this Section 4 shall be made by the Committee, whose determinations with regard thereto shall be final and binding upon all parties thereto.

SECTION 5

REORGANIZATION OR LIQUIDATION

In the event that the Company is merged or consolidated with another corporation and the Company is not the surviving corporation, or if all or substantially all of the assets or more than 20 percent of the outstanding voting stock of the Company is acquired by any other corporation, business entity or person, or in case of a reorganization (other than a reorganization under the United States Bankruptcy Code) or liquidation of the Company, and if the provisions of Section 8 hereof do not apply, the Committee, or the board of directors of any corporation assuming the obligations of the Company, shall, as to the Plan and outstanding Options either (i) make appropriate provision for the adoption and continuation of the Plan by the acquiring or successor corporation and for the protection of any such outstanding Options by the substitution on an equitable basis of appropriate stock of the Company or of the merged, consolidated or otherwise reorganized corporation which will be issuable with respect to the Stock, provided that no additional benefits shall be conferred upon the Participants holding such Options as a result of such substitution, and the excess of the aggregate Fair Market Value of the shares subject to the Options immediately after such substitution over the Option Price thereof is not more than the excess of the aggregate Fair Market Value of the shares subject to such Options immediately before such substitution over the Option Price thereof, or
(ii) upon written notice to the Participants, provide that all unexercised Options shall be exercised within a specified number of days of the date of such notice or such Options will be terminated. In the latter event, the Committee shall accelerate the vesting dates of outstanding Options so that all Options become fully vested and exercisable prior to any such event.

SECTION 6

PARTICIPATION

Participants in the Plan shall be those Eligible Employees who, in the judgment of the Committee, are performing, or during the term of their incentive arrangement will perform, vital services in the management, operation and development of the Company or an Affiliated Corporation, and significantly contribute, or are expected to significantly contribute, to the achievement of the Company's long-term corporate economic objectives. Participants may be granted from time to time one or more Options; provided, however, that the grant of each such Option shall be separately approved by the Committee, and receipt of one such Option shall not result in automatic receipt of any other Option. Upon determination by the Committee that an Option is to be granted to a Participant, written notice shall be given to such person, specifying the terms, conditions, rights and duties related thereto. Each Participant shall, if required by the Committee, enter into an agreement with the Company, in such form as the Committee shall determine and which is consistent with the provisions of the Plan, specifying such terms, conditions, rights and duties. Options shall be deemed to be granted as of the date specified in the grant resolution of the Committee, which date shall be the date of any related agreement with the Participant. In the event of any inconsistency between the provisions of the Plan and any such agreement entered into hereunder, the provisions of the Plan shall govern.

SECTION 7

STOCK OPTIONS

7.1 Grant of Stock Options. Coincident with or following designation for participation in the Plan, an Eligible Employee may be granted one or more Options. Grants of Options under the Plan shall be made by the Committee. In no event shall the exercise of one Option affect the right to exercise any other Option or affect the number of shares of Stock for which any other Option may be exercised, except as provided in subsection 7.2(j) hereof. During the life of the Plan, no Eligible Employee may be granted Options which in the aggregate pertain to in excess of 25 percent of the total shares of Stock authorized under the Plan.

7.2 Stock Option Agreements. Each Option granted under the Plan shall be evidenced by a written stock option agreement which shall be entered into by the Company and the Participant to whom the Option is granted (the "Stock Option Agreement"), and which shall contain the following terms and conditions, as well as such other terms and conditions, not inconsistent therewith, as the Committee may consider appropriate in each case.

(a) Number of Shares. Each Stock Option Agreement shall state that it covers a specified number of shares of Stock, as determined by the Committee.

(b) Price. The price at which each share of Stock covered by an Option may be purchased shall be determined in each case by the Committee and set forth in the Stock Option Agreement, but in no event shall the price be less than the Fair Market Value of the Stock on the date the Option is granted.

(c) Duration of Options; Employment Required For Exercise. Each Stock Option Agreement shall state the period of time, determined by the Committee, within which the Option may be exercised by the Participant (the "Option Period"). The Option Period must end, in all cases, not more than ten years from the date an Option is granted. Except as otherwise provided in Sections 5 and 8 and subsection 7.2(d)(iv) hereof, each Option granted under the Plan shall become exercisable in increments such that 25 percent of the Option will become exercisable on each of the four subsequent one-year anniversaries of the date the Option is granted, but each such additional 25-percent increment shall become exercisable only if the Participant has been continuously employed by the Company from the date the Option is granted through the date on which each such additional 25-percent increment becomes exercisable.

(d) Termination of Employment, Death, Disability, Etc. Each Stock Option Agreement shall provide as follows with respect to the exercise of the Option upon termination of the employment or the death of the Participant:

(i) If the employment of the Participant by the Company is terminated within the Option Period for cause, as determined by the Company, the Option shall thereafter be void for all purposes. As used in this subsection 7.2(d), "cause" shall mean a gross violation, as determined by the Company, of the Company's established policies and procedures, provided that the effect of this subsection 7.2(d) shall be limited to determining the consequences of a termination and that nothing in this subsection 7.2(d) shall restrict or otherwise interfere with the Company's discretion with respect to the termination of any employee.

(ii) If the Participant retires from employment by the Company on or after attaining age 65, the Option may be exercised by the Participant within 36 months following his or her retirement (provided that such exercise must occur within the Option Period), but not thereafter. In the event of the Participant's death during such 36-month period, each Option may be exercised by those entitled to do so in the manner referred to in (iv) below. In any such case the Option may be exercised only as to the shares as to which the Option had become exercisable on or before the date of the Participant's retirement.

(iii) If the Participant becomes disabled (as determined pursuant to the Company's Long-Term Disability Plan or any successor plan), during the Option Period while still employed, or within the three-month period referred to in (v) below, or within the 36-month period referred to in (ii) above, the Option may be exercised by the Participant or by his or her guardian or legal representative, within twelve months following the Participant's disability, or within the 36-month period referred to in (ii) above if applicable and if longer (provided that such exercise must occur within the

Option Period), but not thereafter. In the event of the Participant's death during such twelve-month period, each Option may be exercised by those entitled to do so in the manner referred to in (iv) below. In any such case, the Option may be exercised only as to the shares of Stock as to which the Option had become exercisable on or before the date of the Participant's disability.

(iv) In the event of the Participant's death while still employed by the Company, each Option of the deceased Participant may be exercised by those entitled to do so under the Participant's will or under the laws of descent and distribution within twelve months following the Participant's death (provided that in any event such exercise must occur within the Option Period), but not thereafter, as to all shares of Stock which are subject to such Option, including each 25-percent increment of the Option, if any, which has not yet become exercisable at the time of the Participant's death. In the event of the Participant's death within the 36-month period referred to in (ii) above or within the twelve-month period referred to in (iii) above, each Option of the deceased Participant that is exercisable at the time of death may be exercised by those entitled to do so under the Participant's will or under the laws of descent and distribution within twelve months following the Participant's death or within the 36-month period referred to in
(ii) above, if applicable and if longer (provided that in any event such exercise must occur within the Option Period). The provisions of this paragraph
(iv) of subsection 7.2(d) shall be applicable to each Stock Option Agreement as if set forth therein word for word. Each Stock Option Agreement executed by the Company prior to the adoption of this provision shall be deemed amended to include the provisions of this paragraph and all Options granted pursuant to such Stock Option Agreements shall be exercisable as provided herein.

(v) If the employment of the Participant by the Company is terminated (which for this purpose means that the Participant is no longer employed by the Company or by an Affiliated Corporation) within the Option Period for any reason other than cause, the Participant's retirement on or after attaining age 65, the Participant's disability or death, the Option may be exercised by the Participant within three months following the date of such termination (provided that such exercise must occur within the Option Period), but not thereafter. In any such case, the Option may be exercised only as to the shares as to which the Option had become exercisable on or before the date of termination of the Participant's employment.

(e) Transferability. Each Stock Option Agreement shall provide that the Option granted therein is not transferable by the Participant except by will or pursuant to the laws of descent and distribution, and that such Option is exercisable during the Participant's lifetime only by him or her, or in the event of the Participant's disability or incapacity, by his or her guardian or legal representative.

(f) Agreement to Continue in Employment. Each Stock Option Agreement shall contain the Participant's agreement to remain in the employment of the Company, at the pleasure of the Company, for a continuous period of at least one year after the date of such Stock Option Agreement, at the salary rate in effect on the date of such agreement or at such changed rate as may be fixed, from time to time, by the Company.

(g) Exercise, Payments, Etc.

(i) Each Stock Option Agreement shall provide that the method for exercising the Option granted therein shall be by delivery to the Office of the Secretary of the Company of written notice specifying the number of shares of Stock with respect to which such Option is exercised and payment of the Option Price. Such notice shall be in a form satisfactory to the Committee and shall specify the particular Options (or portions thereof) which are being exercised and the number of shares of Stock with respect to which the Options are being exercised. The exercise of the Option shall be deemed effective on the date such notice is received by the Office of the Secretary and payment is made to the Company of the Option Price (the "Exercise Date"). If requested by the Company, such notice shall contain the Participant's representation that he or she is purchasing the Stock for investment purposes only and his or her agreement not to sell any Stock so purchased in any manner that is in violation of the Securities Act of 1933, as amended, or any applicable state law. Such restriction, or notice thereof, shall be placed on the certificates representing the Stock so purchased. The purchase of such Stock shall take place at the principal offices of the Company upon delivery of such notice, at which time the Option Price shall be paid in full by any of the methods or any combination of the methods set forth in (iii) below.

(ii) Except as referenced below in connection with the Deferred Delivery Plan, the shares of Stock to which the Participant is entitled as a result of the exercise of the Option shall be issued by the Company and (A) delivered by electronic means to an account designated by the Participant, or (B) delivered to the Participant in the form of a properly executed certificate or certificates representing such shares of Stock. If Shares of Stock and/or Depositary Shares are used to pay all or part of the Option Price, the Company shall issue and deliver to the Participant the additional shares of Stock, in excess of the Option Price or portion thereof paid using shares of Stock or Depositary Shares, to which the Participant is entitled as a result of the Option exercise. If the Participant exercising an Option (x) is eligible for participation in the Deferred Delivery Plan, (y) pays the Option Price pursuant to (iii)(C) or (D) below, and (z) has made an irrevocable election at least six months prior to the Exercise Date as required under the Deferred Delivery Plan, the income resulting from the Option exercise shall be deferred into the Participant's Deferred Delivery Plan account and no additional shares of Stock shall be delivered to the Participant.

(iii) the Option Price shall be paid by any of the following methods or any combination of the following methods:

(A) in cash, including the wire transfer of funds to one of the Company's bank accounts located in the United States, with such bank account to be designated from time to time by the Company;

(B) by personal, certified or cashier's check payable to the order of the Company;

(C) by delivery to the Company of certificates representing a number of shares of Stock then owned by the Participant, the Fair Market Value (as of the Exercise Date) of which is not greater than the Option Price of the Option being exercised, properly endorsed for transfer to the Company; provided however, that the shares of Stock used for this purpose must have been owned by the Participant for a period of at least six months;

(D) by certification or attestation to the Company of the Participant's ownership as of the Exercise Date of the number of (1) shares of Stock and/or (2) Depositary Shares, the Fair Market Value (as of the Exercise Date) of which is not greater than the Option Price of the Option being exercised; provided however, that the shares of Stock and/or Depositary Shares used for this purpose must have been owned by the Participant for a period of at least six months.

(E) by delivery to the Company of a properly executed notice of exercise together with irrevocable instructions to a broker to promptly deliver to the Company, by wire transfer or check as noted in (A) and (B) above, the amount of the proceeds of the sale of all or a portion of the Stock or of a loan from the broker to the Participant necessary to pay the Option Price.

(h) Date of Grant. An Option shall be considered as having been granted on the date specified in the grant resolution of the Committee.

(i) Tax Withholding. Each Stock Option Agreement shall provide that, upon exercise of the Option, the Participant shall make appropriate arrangements with the Company to provide for the amount of tax withholding required by Sections 3102 and 3402 or any successor section(s) of the Internal Revenue Code and applicable state and local income tax laws including, as provided in Section 13 hereof, payment of such taxes

(A) through delivery of shares of Stock, (B) by certification or attestation of shares of Stock or Depositary Shares, or (C) by withholding shares of Stock otherwise issuable upon exercise of the Option.

(j) Adjustment of Options. Subject to the provisions of Sections 4, 5, 7, 8 and 12 hereof, the Committee may make any adjustment in the number of shares of Stock covered by, or the terms of an outstanding Option and a subsequent granting of an Option, by amendment or by substitution for an outstanding Option; however, except as provided in Sections 4, 5, 8 and 12 hereof, the Committee may not adjust the Option Price of any outstanding Option. Such amendment or substitution may result in terms and conditions (including the number of shares of Stock covered, vesting schedule or Option Period) that differ from the terms and conditions of the original Option. The Committee may not, however, adversely affect the rights of any Participant to previously granted Options without the consent of such Participant. If such action is effected by amendment, the effective date of grant of such amendment will be the date of grant of the original Option.

7.3 Stockholder Privileges. No Participant shall have any rights as a stockholder with respect to any shares of Stock covered by an Option until the Participant becomes the holder of record of such Stock. Except as provided in Section 4 hereof, no adjustments shall be made for dividends or other distributions or other rights as to which there is a record date preceding the date on which such Participant becomes the holder of record of such Stock.

SECTION 8

CHANGE IN CONTROL

8.1 In General. In the event of a change in control of the Company as defined in Section 8.3 hereof, then the Committee may, in its sole discretion, without obtaining stockholder approval, to the extent permitted in Section 12 hereof, take any or all of the following actions: (a) accelerate the dates on which any outstanding Options become exercisable or make all such Options fully vested and exercisable; (b) grant a cash bonus award to any Participant in an amount necessary to pay the Option Price of all or any portion of the Options then held by such Participant; (c) pay cash to any or all Participants in exchange for the cancellation of their outstanding Options in an amount equal to the difference between the Option Price of such Options and the greater of the tender offer price for the underlying Stock or the Fair Market Value of the Stock on the date of the cancellation of the Options; and (d) make any other adjustments or amendments to the outstanding Options.

8.2 Limitation on Payments. If the provisions of this Section 8 would result in the receipt by any Participant of a payment within the meaning of Section 280G or any successor section(s) of the Internal Revenue Code, and the regulations promulgated thereunder, and if the receipt of such payment by any Participant would, in the opinion of independent tax counsel of recognized standing selected by the Company, result in the payment by such Participant of any excise tax provided for in Sections 280G and 4999 or any successor section(s) of the Internal Revenue Code, then the amount of such payment shall be reduced to the extent required, in the opinion of independent tax counsel, to prevent the imposition of such excise tax; provided, however, that the Committee, in its sole discretion, may authorize the payment of all or any portion of the amount of such reduction to the Participant.

8.3 Definition. For purposes of the Plan, a "change in control" shall mean any of the events specified in the Company's Income Continuance Plan or any successor plan which constitute a change in control within the meaning of such plan.

SECTION 9

RIGHTS OF EMPLOYEES, PARTICIPANTS

9.1 Employment. Nothing contained in the Plan or in any Option granted under the Plan shall confer upon any Participant any right with respect to the continuation of his or her employment by the Company or any Affiliated Corporation, or interfere in any way with the right of the Company or any Affiliated Corporation, subject to the terms of any separate employment agreement to the contrary, at any time to terminate such employment or to increase or decrease the level of the Participant's compensation from the level in existence at the time of the grant of an Option. Whether an authorized leave of absence, or absence in military or government service, shall constitute a termination of employment shall be determined by the Committee at the time.

9.2 Nontransferability. No right or interest of any Participant in an Option granted pursuant to the Plan shall be assignable or transferable during the lifetime of the Participant, either voluntarily or involuntarily, or subjected to any lien, directly or indirectly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge or bankruptcy. In the event of a Participant's death, a Participant's rights and interests in Options shall, to the extent provided in Section 7 hereof, be transferable by testamentary will or the laws of descent and distribution, and payment of any amounts due under the Plan shall be made to, and exercise of any Options may be made by, the Participant's legal representatives, heirs or legatees. If, in the opinion of the Committee, a person entitled to payments or to exercise rights with respect to the Plan is disabled from caring for his or her affairs because of mental condition, physical condition or age, payment due such person may be made to, and such rights shall be exercised by, such person's guardian, conservator or other legal personal representative upon furnishing the Committee with evidence satisfactory to the Committee of such status.

SECTION 10

GENERAL RESTRICTIONS

10.1 Investment Representations. The Company may require a Participant, as a condition of exercising an Option, to give written assurances in substance and form satisfactory to the Company and its counsel to the effect that such person is acquiring the Stock subject to the Option for his own account for investment and not with any present intention of selling or otherwise distributing the same, and to such other effects as the Company deems necessary or appropriate in order to comply with federal and applicable state securities laws.

10.2 Compliance with Securities Laws. Each Option shall be subject to the requirement that, if at any time counsel to the Company shall determine that the listing, registration or qualification of the shares of Stock subject to such Option upon any securities exchange or under any state or federal law, or the consent or approval of any governmental or regulatory body, is necessary as a condition of, or in connection with, the issuance or purchase of shares of Stock thereunder, such Option may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Committee. Nothing herein shall be deemed to require the Company to apply for or to obtain such listing, registration, qualification, consent or approval.

SECTION 11

OTHER EMPLOYEE BENEFITS

The amount of any income deemed to be received by a Participant as a result of the exercise of an Option shall not constitute "earnings" or "compensation" with respect to which any other employee benefits of such Participant are determined, including without limitation benefits under any pension, profit sharing, life insurance or salary continuation plan.

SECTION 12

PLAN AMENDMENT, MODIFICATION AND TERMINATION

The Board may at any time terminate, and from time to time may amend or modify the Plan provided, however, that no amendment or modification may become effective without approval of the amendment or modification by the Company's stockholders if stockholder approval is required to enable the Plan to satisfy any applicable statutory or regulatory requirements, or if the Company, on the advice of counsel, determines that stockholder approval is otherwise necessary or desirable.

No amendment, modification or termination of the Plan shall in any manner adversely affect any Option theretofore granted under the Plan, without the consent of the Participant holding such Option.

SECTION 13

WITHHOLDING

13.1 Withholding Requirement. The Company's obligations to deliver shares of Stock upon the exercise of an Option, or to defer income resulting from an Option exercise into the Deferred Delivery Plan, shall be subject to the Participant's satisfaction of all applicable federal, state and local income and other tax withholding requirements.

13.2 Satisfaction of Required Withholding. At the time the Committee grants an Option, it may, in its sole discretion, grant the Participant an election to pay all such amounts of required tax withholding, or any part thereof:

(a) by the delivery to the Company of a number of shares of Stock then owned by the Participant, the Fair Market Value (as of the Exercise Date) of which is not greater than the amount required to be withheld, provided that such shares have been held by the Participant for a period of at least six months;

(b) by certification or attestation to the Company of the Participant's ownership as of the Exercise Date of a number of shares of Stock and/or Depositary Shares, the Fair Market Value (as of the Exercise Date) of which is not greater than the amount required to be withheld, provided that such shares of Stock and/or Depositary Shares have been owned by the Participant for a period of at least six months; or

(c) by the Company withholding from the shares of Stock otherwise issuable to the Participant upon exercise of the Option, a number of shares of Stock, the Fair Market

Value (as of the Exercise Date) of which is not greater than the amount required to be withheld. Any such elections by Participants to have shares of Stock withheld for this purpose will be subject to the following restrictions:

(i) all elections shall be made on or prior to the Exercise Date; and

(ii) all elections shall be irrevocable.

13.3 Excess Withholding. At the time the Committee grants an Option, it may, in its sole discretion, grant the Participant an election to pay additional or excess amounts of tax withholding, beyond the required amounts and up to the Participant's marginal tax rate:

(a) by delivery to the Company of a number of Shares of Stock then owned by the Participant, the Fair Market Value (as of the Exercise Date) of which is not greater than such excess withholding amount, provided that such shares of Stock have been owned by the Participant for a period of at least six months; or

(b) by certification or attestation to the Company of the Participant's ownership as of the Exercise Date of a number of shares of Stock and/or Depositary Shares, the Fair Market Value (as of the Exercise Date) of which is not greater than such excess withholding amount, provided that such shares of Stock and/or Depositary Shares have been owned by the Participant for a period of at least six months.

13.4 Section 16 Requirements. If the Participant is an officer or director of the Company within the meaning of Section 16 or any successor section(s) of the 1934 Act ("Section 16"), the Participant must satisfy the requirements of such Section 16 and any applicable rules and regulations thereunder with respect to the use of shares of Stock and/or Depositary Shares to satisfy such tax withholding obligation.

SECTION 14

REQUIREMENTS OF LAW

14.1 Requirements of Law. The issuance of Stock and the payment of cash pursuant to the Plan shall be subject to all applicable laws, rules and regulations.

14.2 Federal Securities Laws Requirements. If a Participant is an officer or director of the Company within the meaning of Section 16, Options granted hereunder shall be subject to all conditions required under Rule 16b-3, or any successor rule(s) promulgated under the 1934 Act, to qualify the Option for any exception from the provisions of

Section 16 available under such Rule. Such conditions are hereby incorporated herein by reference and shall be set forth in the agreement with the Participant which describes the Option.

14.3 Governing Law. The Plan and all Stock Option Agreements hereunder shall be construed in accordance with and governed by the laws of the State of Texas.

SECTION 15

DURATION OF THE PLAN

The Plan shall terminate at such time as may be determined by the Board, and no Option shall be granted after such termination. If not sooner terminated under the preceding sentence, the Plan shall fully cease and expire at midnight on February 6, 2003. Options outstanding at the time of the Plan termination shall continue to be exercisable in accordance with the Stock Option Agreement pertaining to such Option.

Dated: February 10, 2000

APACHE CORPORATION

ATTEST:

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/s/ Cheri L. Peper                  By: /s/ Daniel L. Schaeffer
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Cheri L. Peper                          Daniel L. Schaeffer
Corporate Secretary                     Vice President
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EXHIBIT 12.1

APACHE CORPORATION
STATEMENT OF COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES AND COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS
(IN THOUSANDS)

	1999	1998	1997	1996	1995
EARNINGS					
Pretax income (loss) from continuing operations (1)	$ 344,573	$ (187,563)	$ 258,640	$ 200,195	$ 33,143
Add: Fixed charges excluding capitalized interest	90,398	78,728	78,531	68,091	77,220
Adjusted Earnings	$ 434,971	$ (108,835)	$ 337,171	$ 268,286	$ 110,363
FIXED CHARGES AND PREFERRED STOCK DIVIDENDS					
Interest expense including capitalized interest (2)	$ 132,986	$ 119,703	$ 105,148	$ 89,829	$ 88,057
Amortization of debt expense	4,854	4,496	6,438	5,118	4,665
Interest component of lease rental expenditures (3)	5,789	3,808	3,438	3,856	3,539
Fixed charges	143,629	128,007	115,024	98,803	96,261
Preferred stock requirements (4)	24,788	2,905	--	--	--
Combined fixed charges and preferred stock dividends	$ 168,417	$ 130,912	$ 115,024	$ 98,803	$ 96,261
Ratio of earnings to fixed charges	3.03	--(5)	2.93	2.72	1.15
Ratio of earnings to combined fixed charges and preferred stock dividends	2.58	--(5)	2.93	2.72	1.15

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(1) Undistributed income of less-than-50%-owned affiliates is excluded.

(2) Apache guaranteed and is contingently liable for certain debt. Fixed charges, relating to the debt for which Apache was contingently liable, have not been included in the fixed charges for any of the periods shown above.

(3) Represents the portion of rental expense assumed to be attributable to interest factors of related rental obligations determined at interest rates appropriate for the period during which the rental obligations were incurred. Approximately 32% to 34% applies for all periods presented.

(4) Represents the amount of pre-tax earnings that would be required to cover preferred stock dividends of $14.4 million in 1999 and $2.0 million in 1998.

(5) Earnings were inadequate to cover fixed charges and combined fixed charges and preferred stock dividends by $236.8 million and $239.7 million, respectively, due to the $243.2 million write-down of the

carrying value of United States oil and gas properties.

EXHIBIT 21.1

APACHE CORPORATION - LISTING OF SUBSIDIARIES
AS OF FEBRUARY 29, 2000

EXACT NAME OF SUBSIDIARY AND NAME UNDER WHICH SUBSIDIARY DOES BUSINESS	JURISDICTION OF INCORPORATION OR ORGANIZATION
Apache Corporation (New Jersey)	New Jersey
Apache Delaware LLC	Delaware
Apache Finance Louisiana Corporation	Delaware
Apache Foundation	Minnesota
Apache Gathering Company	Delaware
Apache Holdings, Inc.	Delaware
Apache International, Inc.	Delaware
Apache Qarun Corporation LDC	Cayman Islands
Apache Louisiana Holdings, LLC	Delaware
Apache Overseas, Inc.	Delaware
Apache Abu Gharadig Corporation LDC	Cayman Islands
Apache Asyout Corporation LDC	Cayman Islands
Apache Bohai Corporation LDC	Cayman Islands
Apache China Corporation LDC	Cayman Islands
Apache Darag Corporation LDC	Cayman Islands
Apache East Bahariya Corporation LDC	Cayman Islands
Apache Enterprises LDC	Cayman Islands
Apache Faiyum Corporation LDC	Cayman Islands
Apache Matruh Corporation LDC	Cayman Islands
Apache Mediterranean Corporation LDC	Cayman Islands
Apache Poland Holding Company	Delaware
Apache Eastern Europe B.V.	Netherlands
Apache Poland Sp. z o.o.	Poland
Nagasco, Inc.	Delaware
Apache Marketing, Inc.	Delaware
Apache Transmission Corporation - Texas	Texas
Apache Crude Oil Marketing, Inc.	Delaware
Nagasco Marketing, Inc.	Delaware
Apache Oil Corporation	Texas
Burns Manufacturing Company	Minnesota
Apache Energy Limited	Western Australia
Apache Northwest Pty Ltd.	Western Australia
Apache Carnarvon Pty Ltd.	Western Australia
Apache Dampier Pty Ltd.	Western Australia
Apache East Spar Pty Limited	Western Australia
Apache Finance Pty Ltd	Australian Capital Territory
Apache Harriet Pty Limited	Victoria, Australia
Apache Kersail Pty Ltd	Victoria, Australia
Apache Kitusa Pty Ltd	Victoria, Australia
Apache Miladin Pty Ltd	Victoria, Australia
Apache Nasmah Pty Ltd	Victoria, Australia
Apache Oil Australia Pty Limited	New South Wales, Australia
Apache Airlie Pty Limited	New South Wales, Australia
Apache Varanus Pty Limited	Queensland, Australia
Apache Pipeline Pty Ltd	Western Australia

**APACHE CORPORATION - LISTING OF SUBSIDIARIES
AS OF FEBRUARY 29, 2000**

EXACT NAME OF SUBSIDIARY AND NAME UNDER WHICH SUBSIDIARY DOES BUSINESS	JURISDICTION OF INCORPORATION OR ORGANIZATION
Apache West Australia Holdings Limited	Island of Guernsey
Apache UK Limited	England and Wales
Apache Lowendal Pty Limited	Victoria, Australia
Apache Transfer Company	Delaware
DEK Energy Company	Delaware
DEK Energy Texas, Inc.	Delaware
DEK Exploration Inc.	Delaware
Apache Finance Canada Corporation	Nova Scotia, Canada
Apache Canada Management Ltd	Alberta, Canada
Apache Canada Holdings Ltd	Alberta, Canada
DEK Petroleum Corporation	Illinois
Apache Canada Ltd.	Alberta, Canada
DEPCO, Inc.	Texas
Heinold Holdings, Inc.	Delaware
Phoenix Exploration Resources, Ltd.	Delaware
TEI Arctic Petroleum (1984) Ltd.	Alberta, Canada
Texas International Company	Delaware
Apache Khalda Corporation LDC	Cayman Islands
Apache Khalda, Inc.	Delaware
Apache Qarun Exploration Company LDC	Cayman Islands
Phoenix Resources Company of Qarun	Delaware
Apache North America, Inc.	Delaware

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report included in this Form 10-K into Apache Corporation's previously filed Registration Statements on Form S-3 (Nos. 33-53129, 333-39973, 333-57785, 333-75633, 333-90147 and 333-32580), Form S-4 (No. 33-61669), and Form S-8 (Nos. 33-31407, 33-37402, 33-53442, 33-59721, 33-59723, 33-63817, 333-04059, 333-25201, 333-26255, 333-32557, 333-36131, 333-53961 and 333-31092).

/s/ Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Houston, Texas
March 24, 2000

[Ryder Scott Letterhead]

EXHIBIT 23.2

Consent of Ryder Scott Company, L.P.

As independent petroleum engineers, we hereby consent to the incorporation by reference in this Form 10-K of Apache Corporation to our Firm's name and our Firm's review of the proved oil and gas reserve quantities of Apache Corporation as of January 1, 2000, and to the incorporation by reference of our Firm's name and review into Apache Corporation's previously filed Registration Statements on Form S-3 (Nos. 33-53129, 333-39973, 333-57785, 333-75633, 333-90147 and 333-32580), on Form S-4 (No. 33-61669), and on Form S-8 (Nos. 33-31407, 33-37402, 33-53442, 33-59721, 33-59723, 33-63817, 333-04059, 333-25201, 333-26255, 333-32557, 333-36131, 333-53961 and 333-31092).

/s/ Ryder Scott Company, L.P.

Ryder Scott Company, L.P.

Houston, Texas
March 23, 2000

EXHIBIT 23.3

[Letterhead of Netherland, Sewell & Associates, Inc.]

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS AND GEOLOGISTS

As independent petroleum engineers, we hereby consent to the reference in this Form 10-K of Apache Corporation to our Firm's name and our Firm's review of the proved oil and gas reserve quantities as of January 1, 1997 for certain of Apache Corporation's interests located in The Arab Republic of Egypt, and to the incorporation by reference of our Firm's name and review into Apache Corporation's previously filed Registration Statements on Form S-3 (Nos. 33-53129, 333-39973, 333-57785, 333-75633, 333-90147 and 333-32580), on Form S-4 (No. 33-61669), and on Form S-8 (Nos. 33-31407, 33-37402, 33-53442, 33-59721, 33-59723, 33-63817, 333-04059, 333-25201, 333-26255, 333-32557, 333-36131, 333-53961 and 333-31092).

NETHERLAND, SEWELL & ASSOCIATES, INC.

By: /s/ Clarence M. Netherland

Clarence M. Netherland
Chairman

Houston, Texas
March 23, 2000

ARTICLE 5

MULTIPLIER: 1,000

PERIOD TYPE	12 MOS
FISCAL YEAR END	DEC 31 1999
PERIOD END	DEC 31 1999
CASH	13,171
SECURITIES	0
RECEIVABLES	259,530
ALLOWANCES	0
INVENTORY	45,113
CURRENT ASSETS	343,068
PP&E	8,826,967
DEPRECIATION	(3,711,109)
TOTAL ASSETS	5,502,543
CURRENT LIABILITIES	336,778
BONDS	1,879,650
PREFERRED MANDATORY	210,490
PREFERRED	98,387
COMMON	145,504
OTHER SE	2,215,046
TOTAL LIABILITY AND EQUITY	5,502,543
SALES	1,297,898
TOTAL REVENUES	1,300,505
CGS	819,772
TOTAL COSTS	819,772
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	82,266
INCOME PRETAX	344,573
INCOME TAX	143,718
INCOME CONTINUING	200,855
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	200,855
EPS BASIC	1.73
EPS DILUTED	1.72

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