SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended September 30, 1998

OR

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

For the Transition Period from ------------------- to ----------------------

Commission File Number 0-13546

APACHE OFFSHORE INVESTMENT PARTNERSHIP
(Exact Name of Registrant as Specified in Its Charter)

Delaware	41-1464066
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
Suite 100, One Post Oak Central 2000 Post Oak Boulevard, Houston, TX	77056-4400
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (713) 296-6000

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 ____

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

APACHE OFFSHORE INVESTMENT PARTNERSHIP
STATEMENT OF INCOME
(UNAUDITED)

	FOR THE QUARTER ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	1998	1997	1998	1997
REVENUES:				
Oil and gas production revenues	$ 1,713,277	$ 2,751,530	$ 6,062,749	$ 9,150,173
Interest income	21,820	41,214	47,068	66,376
Other income	--	89,250	--	89,250
	1,735,097	2,881,994	6,109,817	9,305,799
EXPENSES:				
Depreciation, depletion and amortization	622,671	693,231	2,070,659	2,167,320
Lease operating	380,910	83,130	771,372	340,606
Administrative	129,137	135,000	405,116	405,000
Interest	--	--	--	12,818
	1,132,718	911,361	3,247,147	2,925,744
NET INCOME	$ 602,379	$ 1,970,633	$ 2,862,670	$ 6,380,055
NET INCOME ALLOCATED TO:				
Managing Partner	$ 195,817	$ 462,058	$ 826,414	$ 1,493,315
Investing Partners	406,562	1,508,575	2,036,256	4,886,740
	$ 602,379	$ 1,970,633	$ 2,862,670	$ 6,380,055
NET INCOME PER INVESTING PARTNER UNIT	$ 352	$ 1,268	$ 1,737	$ 4,090
WEIGHTED AVERAGE INVESTING PARTNER UNITS OUTSTANDING	1,154.4	1,190.1	1,172.5	1,194.8

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

APACHE OFFSHORE INVESTMENT PARTNERSHIP
STATEMENT OF CASH FLOWS
(UNAUDITED)

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 2,862,670	$ 6,380,055
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	2,070,659	2,167,320
Changes in operating assets and liabilities:		
Decrease in accrued revenues receivable	344,054	1,975,005
Increase (decrease) in accrued operating expenses payable	77,852	(193,482)
Decrease in payable to/receivable from Apache Corporation	135,274	(548,380)
Net cash provided by operating activities	5,490,509	9,780,518
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to oil and gas properties	(2,144,221)	(2,322,219)
Non-cash portion of oil and gas property additions	(951,355)	200,123
Proceeds from sales of oil and gas properties	363,534	--
(Increase) decrease in drilling advances	72,020	(37,326)
Net cash used in investing activities	(2,660,022)	(2,159,422)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repurchase of Partnership Units	(348,000)	(114,132)
Distributions to Investing Partners	--	(1,197,827)
Distributions to Managing Partner, net	(804,419)	(1,833,177)
Payments on long-term debt	--	(1,997,500)
Net cash used in financing activities	(1,152,419)	(5,142,636)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,678,068	2,478,460
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	691,797	1,737,470
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,369,865	$ 4,215,930
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	$ --	$ 11,073

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

APACHE OFFSHORE INVESTMENT PARTNERSHIP
BALANCE SHEET

	SEPTEMBER 30, 1998 (Unaudited)	DECEMBER 31, 1997
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,369,865	$ 691,797
Accrued revenues receivable	1,193,397	1,537,451
Receivable from Apache Corporation	83,455	218,729
Drilling advances	--	72,020
	3,646,717	2,519,997
OIL AND GAS PROPERTIES, on the basis of full cost accounting:		
Proved properties	168,177,774	166,397,087
Less - Accumulated depreciation, depletion and amortization	(160,463,573)	(158,392,914)
	7,714,201	8,004,173
	$ 11,360,918	$ 10,524,170
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES:		
Distribution payable	$ 1,731,539	$ --
Accrued exploration and development	813,562	1,764,917
Accrued operating expenses payable and other	190,115	112,263
	2,735,216	1,877,180
PARTNERS' CAPITAL:		
Managing Partner	527,030	505,035
Investing Partners (1,154.4 and 1,184.2 units outstanding, respectively)	8,098,672	8,141,955
	8,625,702	8,646,990
	$ 11,360,918	$ 10,524,170

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

APACHE OFFSHORE INVESTMENT PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

The financial statements included herein have been prepared by the Apache Offshore Investment Partnership (the Partnership), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods, on a basis consistent with the annual audited financial statements. All such adjustments are of a normal, recurring nature. Certain information, accounting policies, and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations, although the Partnership believes that the disclosures are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the financial statements and the summary of significant accounting policies and notes thereto included in the Partnership's latest annual report on Form 10-K.

1. PAYABLE TO/RECEIVABLE FROM APACHE

Payable to/receivable from Apache Corporation, the Partnership's managing partner (Apache or the Managing Partner), represents the net result of the Investing Partners' revenue and expenditure transactions in the current month. Generally, cash in this amount will be transferred to/from Apache in the month after the Partnership's transactions are processed and the net results of operations are determined.

2. RIGHT OF PRESENTMENT

In February 1994, an amendment to the Partnership Agreement created a right of presentment under which all Investing Partners have a limited and voluntary right to offer their Units to the Partnership twice each year to be purchased for cash. The first right of presentment offer for 1998 was based upon a valuation date of December 31, 1997 for a purchase price of $11,161 per Unit, plus interest to the date of payment. The offer was made to the Investing Partners on April 28, 1998 and, as a result, the Partnership acquired 29.832 Units for $348,000 in cash. A second right of presentment offer of $9,824 per Unit, plus interest to the date of payment, was made to the Investing Partners on October 30, 1998, based on a valuation date of June 30, 1998.

The Partnership is not in a position to predict how many Units will be presented for repurchase during the fourth quarter of 1998 and cannot, at this time, determine if the Partnership will have sufficient funds available to repurchase Units. The Partnership has no obligation to purchase any Units presented to the extent it determines that it has insufficient funds for such purchases. The Partnership Agreement, as amended (the Amended Partnership Agreement), contains limitations on the number of Units that the Partnership can repurchase, including a limit of 10 percent of the outstanding Units on an annual basis.

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

RESULTS OF OPERATIONS

NET INCOME AND REVENUE

The Partnership reported net income of $.6 million in the third quarter of 1998, versus $2.0 million in the prior year period. Net income per Investing Partner Unit decreased 72 percent, from $1,268 per Unit to $352 per Unit. The decrease was primarily attributable to lower natural gas and crude oil production and prices and higher lease operating expense (LOE).

For the first nine months of 1998, net income of $2.9 million, or $1,737 per Investing Partner Unit, decreased 55 percent and 58 percent, respectively, from $6.4 million, or $4,090 per Investing Partner Unit, in the same period last year. Lower natural gas and crude oil production and prices and higher LOE impacted 1998 results.

Revenues decreased 40 percent, from $2.9 million in the third quarter of 1997 to $1.7 million for the same period in 1998. Natural gas and crude oil sales contributed 80 percent and 19 percent, respectively, to the Partnership's total revenues in the third quarter of 1998. For the first nine months of 1998, revenues decreased 34 percent to $6.1 million compared to $9.3 million for the same period in 1997, primarily due to lower production, with natural gas and crude oil contributing 81 percent and 18 percent, respectively, to the Partnership's total revenues in 1998.

The Partnership's oil and gas production volume and price information is summarized in the following table (gas volumes presented in thousand cubic feet (Mcf) per day):

	FOR THE QUARTER ENDED SEPTEMBER 30,			FOR THE NINE MONTHS ENDED SEPTEMBER 30,		
	1998	1997	DECREASE	1998	199	DECREASE
Gas volume - Mcf per day	7,857	10,726	(27%)	8,622	11,172	(23%)
Average gas price - per Mcf	$ 1.91	$ 2.25	(15%)	$ 2.11	$ 2.39	(12%)
Oil volume - barrels per day	287	313	(8%)	305	349	(13%)
Average oil price - per barrel	$ 12.60	$ 18.43	(32%)	$ 13.10	$ 19.53	(33%)

THIRD QUARTER 1998 COMPARED TO THIRD QUARTER 1997

Natural gas sales revenues for the third quarter of 1998 totaled $1.4 million, 38 percent lower than the third quarter of 1997. The decrease resulted from a 27 percent decline in natural gas production. Production volumes decreased as a result of natural declines in production, the sale of High Island Block A-6 (Glenda Prospect) in October 1997, and the sale of West Cameron Block 368 (Krypton Prospect) in January 1998. Natural gas prices decreased 15 percent for the third quarter of 1998 compared to the same period in 1997, which negatively impacted revenue by $.3 million.

The Partnership's crude oil sales revenues for the third quarter of 1998 totaled $.3 million, a 37 percent decrease from the third quarter of 1997. A 32 percent decrease in the average realized oil price led to the decline.

YEAR-TO-DATE 1998 COMPARED TO YEAR-TO-DATE 1997

Natural gas sales for the first nine months of 1998 of $5.0 million decreased $2.3 million, or 32 percent, when compared to the same period in 1997. Average realized gas prices decreased $.28 per Mcf, or 12 percent, when compared with the first nine months of 1997. Natural gas production for the first nine months of 1998 decreased by 23 percent when compared to the same period in 1997, negatively impacting revenues by $1.5 million. Production decreases in 1998 were primarily due to natural declines in production and the sale of High Island Block A-6 and West Cameron Block 368.

For the nine months ended September 30, 1998, oil sales decreased 41 percent to $1.1 million when compared to the same period last year. The Partnership's oil sales revenues were negatively impacted by a 13 percent decline in oil production and a 33 percent decrease in realized prices. The decrease in production volumes resulted from natural declines in production.

OPERATING EXPENSES

The Partnership's depreciation, depletion and amortization (DD&A) rate, expressed as a percentage of oil and gas production revenues, was approximately 36 percent and 34 percent during the third quarter and first nine months of 1998, increasing from 25 percent and 24 percent, respectively, during the same periods in 1997. The increase in the DD&A rate was a result of generally declining natural gas and crude oil prices and downward reserve revisions recorded in the fourth quarter of 1997.

Higher workover activity in the third quarter of 1998 caused LOE to be 358 percent higher when compared to the third quarter of 1997. For the first nine months of 1998, LOE of $.8 million was up 126 percent when compared to the first nine months of 1997. This variance was the result of higher workover activity in 1998 and joint venture audit refunds received in March 1997.

CASH FLOW, LIQUIDITY AND CAPITAL RESOURCES

CAPITAL RESOURCES AND LIQUIDITY

The Partnership's primary capital resource is net cash provided by operating activities, which was $5.5 million for the first nine months of 1998, a decrease of 44 percent from a year ago, driven by lower oil and gas production and prices. Future cash flows will be similarly influenced by fluctuations in product prices, production levels and operating costs.

The Partnership repaid all outstanding debt and terminated its revolving credit facility on January 31, 1997, rendering the Partnership debt free for the first time in its 14-year history. The Partnership has not incurred any new debt in 1998.

It is expected that net cash provided by operating activities will be sufficient to meet the Partnership's liquidity needs through the end of 1998. However, in the event short-term operating cash requirements are greater than the Partnership's financial resources, the Partnership will seek short-term, interest-bearing advances from the Managing Partner.

CAPITAL COMMITMENTS

The Partnership's primary needs for cash are for operating expenses, drilling and recompletion expenditures, distributions to Investing Partners, and the purchase of Units offered by Investing Partners under the right of presentment.

During the first nine months of 1998, the Partnership's oil and gas property additions totaled $2.1 million. These additions related primarily to completions at South Timbalier Block 295, drilling activity at South Pass Block 83 and recompletions and drilling at Ship Shoal Block 259. Based on information supplied by the operators of the properties, the Partnership anticipates capital expenditures of approximately $.5 million for the remainder of 1998. The anticipated capital expenditures relate to the drilling of two new wells at North Padre Block 989. Such estimates may change based on realized prices, drilling results or changes by the operator to the development plan.

The Partnership made a distribution of $1,500 per Unit on October 1, 1998. The amount of future distributions will be dependent on actual and expected production levels, realized and expected oil and gas prices, and expected drilling and recompletion expenditures.

As provided in the Amended Partnership Agreement, a first right of presentment offer for 1998 of $11,161 per Unit, plus interest to the date of payment, was made to Investing Partners on April 28, 1998, based on a valuation date of December 31, 1997. As a result, the Partnership acquired 29.832 Units for a total of $348,000 in cash. A second right of presentment offer for 1998 of $9,824 per Unit, plus interest to the date of payment, was made to Investing Partners on October 30, 1998, based on a valuation date of June 30, 1998. The Partnership is not in a position to predict how many Units will be presented for repurchase during the fourth quarter of 1998 and cannot, at this time, determine if the Partnership will have sufficient funds available to repurchase all Units presented.

IMPACT OF THE YEAR 2000 ISSUE

The Year 2000 Issue poses a serious threat of business disruption to any organization that utilizes computer technology and computer chip technology in their business systems or equipment. Apache, as Managing Partner, manages the Partnership's operations. Apache uses a portion of its staff for this purpose and is reimbursed for actual costs paid on behalf of the Partnership, as well as for general, administrative and overhead costs properly allocable to the Partnership. Apache has formed a Year 2000 Task Force with representation from major business units to inventory and assess the risk of hardware, software, telecommunications systems, office equipment, embedded chip controls and systems, process control systems, facility control systems and dependencies on external trading partners. The project phases, expected completion dates and percentage complete are as follows:

PHASE	COMPLETION DATE	% COMPLETE
Organization	July 1998	100%
Assessment	November 1998	70%
Desktop Computers		
Network Hardware		
Software		
Embedded Systems		
External Trading Partners		
Building/Infrastructure Systems		
Telecommunications Systems		
Implementation/Replacement	July 1999	40%
Computer Hardware		
Core Business Software		
Desktop Software		
Embedded Systems		
Building Systems		
Contact External Trading Partners	February 1999	10%
Contingency Planning	March 1999	20%

To date, the Managing Partner is not aware of any significant issues that would cause problems in the area of safety, environmental or business interruption in the Year 2000. Apache will assess the risk associated with hardware, software, infrastructure, embedded chips and external trading partners that are not Year 2000 compliant. While Apache is confident that Year 2000 remediation efforts will succeed in minimizing exposure to business disruption, plans are being developed which will allow continuation of business in all but the worst case scenarios. All remediation and replacement efforts and contingency planning are expected to be complete by July 1999. All critical external trading partners will be contacted to determine Year 2000 readiness and contingency plans will be developed where assurance of Year 2000 compliance is not received by February 28, 1999.

In 1997, the Managing Partner initiated a project to replace existing business software as it relates to Apache's production, land, marketing, accounting and financial systems to more effectively and efficiently meet its business needs. Replacement computer systems selected by the Managing Partner from SAP America, Inc., PricewaterhouseCoopers LLP, Innovative Business Solutions and Landmark Graphics will properly recognize dates beyond December 31, 1999. The Managing Partner plans to implement the replacement software by March 31, 1999. The business system replacement project is 60 percent complete and Apache believes that the March 31, 1999 deadline is attainable.

The Managing Partner expects that its cost to achieve Year 2000 compliance will not exceed $4 million. These costs will be borne by the Managing Partner and will not have any impact on the financial results of the Partnership. The cost of implementing business replacement systems is not included in these cost estimates.

The Managing Partner presently believes that with conversions to new software and completion of efforts planned by the Year 2000 Task Force, the risk associated with Year 2000 will be significantly reduced. However, the Managing Partner is unable to assure that the consequences of Year 2000 failures of systems maintained by the Managing Partner or by third parties will not materially adversely impact the Partnership's results of operations, liquidity or financial condition.

FORWARD-LOOKING STATEMENTS AND RISK

Certain statements in this report, including statements of the future plans, objectives, and expected performance of the Partnership, are forward-looking statements that are dependent on certain events, risks and uncertainties that may be outside the Partnership's control and which could cause actual results to differ materially from those anticipated. Some of these include, but are not limited to, 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 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. Future oil and gas prices also could affect results of operations and cash flows.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. CHANGES IN SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits.

27.1 Financial Data Schedule.

b. Reports on Form 8-K - None.

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 OFFSHORE INVESTMENT PARTNERSHIP
By: Apache Corporation, General Partner

Dated:	November 12, 1998	/s/ Roger B. Plank --- Roger B. Plank Vice President and Chief Financial Officer
Dated:	November 12, 1998	/s/ Thomas L. Mitchell --- Thomas L. Mitchell Vice President and Controller (Chief Accounting Officer)

EXHIBITS

EXHIBIT NUMBERS	DESCRIPTION
27.1	Financial Data Schedule.

5

9-MOS
DEC-31-1998
SEP-30-1998
2,369,865
0
1,276,852
0
0
3,646,717
168,177,774
160,463,573
11,360,918
2,735,216
0
0
0
0
8,625,702
11,360,918
6,062,749
6,109,817
2,842,031
2,842,031
0
0
0
2,862,670
0
2,862,670
0
0
0
2,862,670
1,737
1,737