

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

APACHE OFFSHORE INVESTMENT PARTNERSHIP
STATEMENT OF INCOME
(UNAUDITED)

	FOR THE QUARTER ENDED JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	2001	2000	2001	2000
REVENUES:				
Oil and gas sales	\$2,765,540	\$3,007,741	\$6,758,274	\$5,542,716
Interest income	22,977	29,785	40,066	66,467
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	2,788,517	3,037,526	6,798,340	5,609,183
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EXPENSES:				
Depreciation, depletion and amortization	490,398	759,027	1,232,187	1,418,064
Lease operating expense	150,386	120,207	286,781	263,813
Administrative	126,000	135,027	261,000	270,027
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	766,784	1,014,261	1,779,968	1,951,904
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NET INCOME	\$2,021,733	\$2,023,265	\$5,018,372	\$3,657,279
	=====	=====	=====	=====
NET INCOME ALLOCATED TO:				
Managing Partner	\$ 470,456	\$ 505,749	\$1,169,165	\$ 925,929
Investing Partners	1,551,277	1,517,516	3,849,207	2,731,350
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	\$2,021,733	\$2,023,265	\$5,018,372	\$3,657,279
	=====	=====	=====	=====
NET INCOME PER INVESTING PARTNER UNIT	\$ 1,377	\$ 1,340	\$ 3,414	\$ 2,412
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WEIGHTED AVERAGE INVESTING PARTNER UNITS OUTSTANDING	1,126.4	1,132.4	1,127.5	1,132.5
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The accompanying notes to financial statements
are an integral part of this statement.

APACHE OFFSHORE INVESTMENT PARTNERSHIP
STATEMENT OF CASH FLOWS
(UNAUDITED)

	FOR THE SIX MONTHS ENDED JUNE 30,	
	2001	2000
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CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 5,018,372	\$ 3,657,279
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	1,232,187	1,418,064
Changes in operating assets and liabilities:		
(Increase) decrease in accrued revenues receivable	582,633	(137,244)
Increase (decrease) in accrued operating expenses payable	36,549	(68,627)
(Increase) decrease in receivable from/payable to Apache Corporation	(665,131)	223,113
Net cash provided by operating activities	6,204,610	5,092,585
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CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to oil and gas properties	(872,601)	(1,922,753)
Non-cash portion of oil and gas property additions	(388,000)	195,134
Net cash used in investing activities	(1,260,601)	(1,727,619)
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CASH FLOWS FROM FINANCING ACTIVITIES:		
Repurchase of Partnership Units	(64,226)	(28,047)
Distributions to Investing Partners	(2,256,977)	(2,264,978)
Distributions to Managing Partner, net	(1,321,014)	(915,366)
Net cash used in financing activities	(3,642,217)	(3,208,391)
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NET INCREASE IN CASH AND CASH EQUIVALENTS	1,301,792	156,575
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,442,878	2,748,812
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CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 2,744,670	\$ 2,905,387
	=====	=====

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APACHE OFFSHORE INVESTMENT PARTNERSHIP
BALANCE SHEET
(UNAUDITED)

	JUNE 30, 2001	DECEMBER 31, 2000
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ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,744,670	\$ 1,442,878
Accrued revenues receivable	441,665	1,024,298
Receivable from Apache Corporation	273,876	-
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	3,460,211	2,467,176
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OIL AND GAS PROPERTIES, on the basis of full cost accounting:		
Proved properties	174,250,997	173,378,396
Less - Accumulated depreciation, depletion and amortization	(168,362,280)	(167,130,093)
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	5,888,717	6,248,303
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	\$ 9,348,928	\$ 8,715,479
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES:		
Accrued exploration and development	\$ 123,000	\$ 511,000
Accrued operating expenses payable and other	121,333	84,784
Payable to Apache Corporation	-	391,255
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	244,333	987,039
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PARTNERS' CAPITAL:		
Managing Partner	200,232	352,081
Investing Partners (1,122.3 and 1,128.5 units outstanding, respectively)	8,904,363	7,376,359
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	9,104,595	7,728,440
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	\$ 9,348,928	\$ 8,715,479
	=====	=====

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. RECEIVABLE FROM/PAYABLE TO APACHE CORPORATION

Receivable from/payable to 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 from/to Apache in the month after the Partnership's transactions are processed and the net results of operations are determined.

2. RIGHT OF PRESENTMENT

As provided in the Partnership Agreement, as amended (the Amended Partnership Agreement), a first right of presentment offer for 2001 of \$9,928 per Unit, plus interest to the date of the payment, was made to Investing Partners based on a valuation date of December 31, 2000. As a result, the Partnership purchased 6.2 Units in June 2001 for a total of \$64,226 in cash. Investing Partners will have a second right of presentment during the fourth quarter of 2001, based on a valuation date of June 30, 2001.

The Partnership is not in a position to predict how many Units will be presented for repurchase during the fourth quarter of 2001 and cannot, at this time, determine if the Partnership will have sufficient funds available to purchase 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 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 in the second quarter of 2001 of \$2 million, even with the prior year period. Net income per Investing Partner Unit increased three percent, from \$1,340 per Unit to \$1,377 per Unit.

For the first half of 2001, net income totaled \$5 million, or \$3,414 per Investing Partner Unit, up 37 percent and 42 percent, respectively, from \$3.7 million, or \$2,412 per Investing Partner Unit, in the same period last year. The increases were attributable to higher natural gas prices in 2001.

Revenues for the quarter decreased eight percent, falling from \$3.0 million in the second quarter of 2000 to \$2.8 million in the second quarter of 2001. For the first six months of 2001, revenues increased 22 percent to \$6.8 million as higher natural gas prices more than offset decreases in production. Natural gas sales accounted for 78 percent of the Partnership's total revenues during the first half of 2001 compared to 67 percent during the first half of 2000.

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 JUNE 30,			FOR THE SIX MONTHS ENDED JUNE 30,		
	2001	2000	INCREASE (DECREASE)	2001	2000	INCREASE (DECREASE)
Gas volume - Mcf per day	4,677	6,423	(27%)	4,769	6,947	(31%)
Average gas price - per Mcf	\$ 4.72	\$ 3.50	35%	\$ 6.10	\$ 2.98	105%
Oil volume - barrels per day	312	363	(14%)	300	342	(12%)
Average oil price - per barrel	\$26.58	\$29.11	(9%)	\$27.44	\$28.41	(3%)

SECOND QUARTER 2001 COMPARED TO SECOND QUARTER 2000

Natural gas production revenues for the second quarter of 2001 totaled \$2 million, down two percent from the second quarter of 2000. Natural gas prices increased 35 percent for the second quarter of 2001 compared to the year-earlier period, rising to \$4.72 per Mcf. Natural gas volumes for the quarter declined 27 percent from a year ago due to natural production declines at Matagorda Island Block 681 and South Timbalier Block 295.

The Partnership's crude oil production revenues for the second quarter of 2001 totaled \$754,000, a 22 percent decrease from the second quarter of 2000. The \$.2 million decrease in oil sales was attributable to a nine percent decrease in average realized oil price and 14 percent decrease in crude oil production. Production added from drilling at the South Timbalier Block 295 was more than offset by natural depletion.

YEAR-TO-DATE 2001 COMPARED TO YEAR-TO-DATE 2000

Gas sales for the first half of 2001 of \$5.3 million increased \$1.5 million, or 40 percent, when compared to the same period in 2000. Average realized gas prices increased \$3.12 per Mcf when compared with the first six months of 2000, positively impacting sales by \$3.9 million. Daily gas production for the first half of 2001 decreased by 31 percent when compared to the same period in 2000, negatively impacting revenues by \$2.4 million. Production decreases in 2001 were primarily due to natural declines in production.

For the six months ended June 30, 2001, oil sales decreased 16 percent to \$1.5 million when compared to the same period last year. The Partnership's oil sales revenues were unfavorably impacted by a 12 percent decrease in daily oil production and a three percent decrease in realized prices.

OPERATING EXPENSES

The Partnership's depreciation, depletion and amortization (DD&A) rate, expressed as a percentage of oil and gas production revenues, was approximately 18 percent during the second quarter of 2001 compared to 25 percent during the same period in 2000. For the first six months, the Partnership's DD&A rate declined from 26 percent in 2000 to 18 percent in the current year. The decreases in the DD&A rates as a percentage of sales were primarily a result of higher natural gas prices in 2001 and upward reserve revisions recognized at the end of 2000.

Lease operating expense (LOE) in the second quarter 2001 was up 25 percent from the second quarter 2000 due to workover costs incurred at South Pass 83 and Ship Shoal 259 during the current period. For the first half of 2001, LOE of \$.3 million was up nine percent from a year ago due to the workover costs incurred in the second quarter.

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 \$6.2 million for the first half of 2001. Net cash provided by operating activities in 2001 was up 22 percent from a year ago primarily due to higher gas prices. Future cash flows will be influenced by fluctuations in product prices, production levels and operating costs.

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 six months of 2001, the Partnership's oil and gas property additions totaled \$.9 million, which primarily related to drilling and recompletion projects at South Timbalier Block 295. The Partnership participated in the South Timbalier Block 295 A-13 sidetrack well drilled during the first quarter of 2001 and the A-32 well on the block during the second quarter of this year. Both wells were completed as producers. The Partnership anticipates capital expenditures of approximately \$1.4 million for the remainder of 2001. Such estimates may change based on realized prices, drilling results or changes by the operator to the development plan.

The Partnership made a distribution to Investing Partners of \$2,000 per Unit on March 1, 2001. The amount of future distributions will be dependent on actual and expected production levels, realized and expected oil and gas prices, expected drilling and recompletion expenditures, and prudent cash reserves for future dismantlement and abandonment costs that will be incurred after the Partnership's reserves are depleted.

As provided in the Amended Partnership Agreement, a first right of presentment offer for 2001 of \$9,928 per Unit, plus interest to the date of payment, was made to Investing Partners, based on a valuation date of December 31, 2000. As a result, the Partnership purchased 6.2 Units in June 2001 for a total of \$64,226 in cash. Investing Partners will have a second right of presentment during the fourth quarter of 2001, based on a valuation date of June 30, 2001. The Partnership is not in a position to predict how many Units will be presented for repurchase during the fourth quarter of 2001 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 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.

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, 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 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. Fluctuations in oil and gas prices, or a prolonged period of low prices, may substantially adversely affect the Partnership's financial position, results of operations and cash flows.

COMMODITY RISK

The Partnership'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 natural gas production. Historically, prices received for oil and gas production have been volatile and unpredictable and price volatility is expected to continue. The Partnership has not used derivative financial instruments or otherwise engaged in hedging activities during 2000 or 2001.

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 - None.

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: August 13, 2001

/s/ Roger B. Plank

Roger B. Plank
Executive Vice President and Chief
Financial Officer

Dated: August 13, 2001

/s/ Thomas L. Mitchell

Thomas L. Mitchell
Vice President and Controller
(Chief Accounting Officer)