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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
AMENDMENT NO. 1

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

Date of Report (Date of earliest event reported): May 18, 1999

APACHE CORPORATION
(Exact name of registrant as specified in Charter)

DELAWARE
(State or Other Jurisdiction
of Incorporation)

1-4300
(Commission
File Number)

41-0747868
(I.R.S. Employer
Identification Number)

2000 POST OAK BOULEVARD
SUITE 100
HOUSTON, TEXAS 77056-4400
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (713) 296-6000

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The undersigned registrant, Apache Corporation ("Apache"), hereby amends Item 7. "Financial Statements, Pro Forma Financial Information and Exhibits" of its Current Report on Form 8-K, dated May 18, 1999.

The following contains certain "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995 including, without limitation, estimates and expectations of the properties' production, reserves, future development costs, operating costs, and general and administrative costs, and energy prices and future tax rates, deductions and credits. Such forward-looking statements involve estimates, assumptions and uncertainties. No assurance can be given that Apache's expectations will be realized, and actual results may differ materially from those expressed in the forward-looking statements.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(a) FINANCIAL STATEMENT OF BUSINESSES ACQUIRED.

Attached hereto as Schedule A is the audited Statement of Combined Revenues and Direct Operating Expenses of the Oil and Gas Properties Purchased by Apache Corporation from Shell ("Statement of Combined Revenues and Direct Operating Expenses"), for the year ended December 31, 1998, and the related notes thereto, together with the Report of Independent Public Accountants of Arthur Andersen LLP concerning the Statement and related notes.

(b) PRO FORMA FINANCIAL INFORMATION.

Attached hereto as Schedule B, for Apache Corporation and Subsidiaries, are the Unaudited Pro Forma Condensed Consolidated Statements of Operations for the year ended December 31, 1998 and for the three months ended March 31, 1999, the Unaudited Pro Forma Condensed Consolidated Balance Sheet as of March 31, 1999, and the related notes thereto, adjusted to show the pro forma effects of Apache's acquisition of certain oil and gas properties (the "Shell transaction") from Shell Offshore Inc. and affiliated Shell entities ("Shell"). The financial statements contained in Schedule B incorporate by reference the financial statements of Apache contained in its Annual Report on Form 10-K for the year ended December 31, 1998 and in its Quarterly Report on Form 10-Q for the quarter ended March 31, 1999.

(c) EXHIBITS.

EXHIBIT NO. -----	DESCRIPTION -----
2.1	Asset Purchase Agreement, dated effective March 1, 1999, between Shell Offshore Inc. and certain affiliated Shell entities, as Seller, and Apache Corporation, as Buyer (incorporated by reference to Apache's Form 8-K dated May 18, 1999, filed on May 26, 1999, SEC File No. 1-4300).
2.2	Stock Purchase Agreement, dated April 29, 1999, between Shell Offshore Inc. and Apache Corporation (incorporated by reference to Apache's Form 8-K dated May 18, 1999, filed on May 26, 1999, SEC File No. 1-4300).
3.1*	Bylaws of Apache, as amended July 14, 1999.
23.1*	Consent of Arthur Andersen LLP.
99.1	Press Release, dated May 18, 1999, "Apache Closes on Purchase of Shell Assets in Gulf of Mexico" (incorporated by reference to Amendment No. 2 on Form 8-K/A to Apache's Form 8-K dated April 29, 1999, filed on May 24, 1999, SEC File No. 1-4300).
99.2	Final Prospectus Supplement (Common Stock), dated May 12, 1999 (incorporated by reference to Apache's filing pursuant to Rule 424(B)(2) on May 13, 1999, Registration No. 333-75633).
99.3	Final Prospectus Supplement (Depositary Shares), dated May 12, 1999 (incorporated by reference to Apache's filing pursuant to Rule 424(B)(2) on May 13, 1999, Registration No. 333-75633).

* filed herewith

SIGNATURES

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

APACHE CORPORATION

Date: July 28, 1999

/s/ Z. S. Kobiashvili

Z. S. Kobiashvili
Vice President and General Counsel

SCHEDULE A

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders of Apache Corporation:

We have audited the accompanying statement of combined revenues and direct operating expenses of the oil and gas properties purchased by Apache Corporation from Shell for the year ended December 31, 1998. This financial statement is the responsibility of Apache Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 audit provides a reasonable basis for our opinion.

The accompanying statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in Apache Corporation's Form 8-K/A and is not intended to be a complete financial presentation of the properties described above.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined revenues and direct operating expenses of the oil and gas properties purchased by Apache Corporation from Shell for the year ended December 31, 1998, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Houston, Texas
July 22, 1999

STATEMENT OF COMBINED REVENUES AND DIRECT OPERATING EXPENSES
 OF THE OIL AND GAS PROPERTIES PURCHASED BY APACHE CORPORATION
 FROM SHELL
 (IN THOUSANDS)

	FOR THE YEAR ENDED DECEMBER 31, 1998	FOR THE THREE MONTHS ENDED MARCH 31,	
		1998	1999
		----- (UNAUDITED) -----	
Revenues.....	\$ 248,624	\$ 70,254	\$ 43,428
Direct operating expenses.....	34,708	10,341	5,926
	-----	-----	-----
Excess of revenues over direct operating expenses.....	\$ 213,916	\$ 59,913	\$ 37,502
	=====	=====	=====

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

NOTES TO STATEMENT OF COMBINED REVENUES AND
DIRECT OPERATING EXPENSES OF THE OIL AND GAS PROPERTIES
PURCHASED BY APACHE CORPORATION FROM SHELL

(1) THE PROPERTIES

On April 29, 1999, Apache Corporation (Apache) entered into an agreement with Shell Offshore Inc. and affiliated Shell entities (Shell) to purchase Shell's interest in 22 producing fields and 16 undeveloped blocks located in the Gulf of Mexico. The Shell transaction also includes certain production-related assets and proprietary 3D seismic data covering approximately 1,000 blocks in the Gulf of Mexico. The purchase price, subject to adjustment for production since March 1, 1999, was \$715 million in cash and one million shares of Apache common stock (valued at \$28.125 per share). The Shell transaction closed on May 18, 1999.

(2) BASIS FOR PRESENTATION

During the periods presented, the Shell properties were not accounted for or operated as a separate division by Shell. Certain costs, such as depreciation, depletion and amortization, general and administrative expenses, and corporate income taxes, were not allocated to the individual properties. Accordingly, full separate financial statements prepared in accordance with generally accepted accounting principles do not exist and are not practicable to obtain in these circumstances.

Revenues and direct operating expenses included in the accompanying statement represent Apache's acquired net working interest in the properties and are presented on the accrual basis of accounting. Depreciation, depletion and amortization, general and administrative expenses and corporate income taxes have been excluded.

(3) COMMITMENTS AND CONTINGENCIES

Pursuant to the terms of the Asset Purchase Agreement between Shell and Apache, any claims, litigation or disputes pending as of the effective date (March 1, 1999) or any matters arising in connection with ownership of the properties prior to the effective date are retained by Shell. Notwithstanding this indemnification, Apache is not aware of any legal, environmental or other commitments or contingencies that would have a material effect on the statement of combined revenues and direct operating expenses.

(4) ASSETS ACQUIRED (UNAUDITED)

The preliminary allocation of the net purchase price (assuming \$36.5 million of purchase price adjustments and \$8.0 million of transaction costs) reflects an allocation of \$122.0 million to unproved oil and gas properties and \$592.7 million to proved oil and gas properties. Purchase price adjustments are subject to further review and audit.

SUPPLEMENTAL OIL AND GAS INFORMATION
(UNAUDITED)

OIL AND GAS RESERVE INFORMATION

Proved oil and gas reserve quantities are based on estimates prepared by Apache's engineers, and from information provided by Shell, in accordance with guidelines established by the Securities and Exchange Commission (SEC).

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.

	GAS ----- (MMcf)	OIL ----- (Mbbbls)
Total proved reserves:		
Balance, December 31, 1997	390,849	79,098
Production	(61,785)	(9,182)
Extensions, discoveries and improved recovery	11,379	4,224
Revisions of previous estimates	15,024	(3,864)
	-----	-----
Balance, December 31, 1998	355,467	70,276
	=====	=====
Proved developed reserves:		
Balance, December 31, 1997	327,341	65,654
	=====	=====
Balance, December 31, 1998	294,963	58,696
	=====	=====

SUPPLEMENTAL OIL AND GAS INFORMATION - 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 Apache's oil and gas assets, but does present a standardized disclosure concerning possible future net cash flows that would result under the assumptions used.

	DECEMBER 31, 1998
	(IN THOUSANDS)
Cash inflows.....	\$ 1,424,206
Production costs.....	(311,586)
Development costs.....	(339,520)
Income tax expense.....	(70,661)

Net cash flows.....	702,439
10 percent discount rate.....	(206,478)

Discounted future net cash flows (1).....	\$ 495,961
	=====

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

	FOR THE YEAR ENDED DECEMBER 31, 1998
	(IN THOUSANDS)
Beginning of year.....	\$ 855,543
Sales, net of production costs.....	(213,916)
Net change in prices and production costs.....	(517,552)
Extensions, discoveries and improved recovery, net of related costs.....	25,976
Change in future development costs.....	72,468
Accretion of discount.....	110,466
Change in income taxes.....	198,972
Revision of quantity estimates.....	(7,686)
Change in production rates and other.....	(28,310)

End of year.....	\$ 495,961
	=====

(1) Estimated future net cash flows before income tax expense, discounted at 10% per annum, totaled approximately \$546.1 million.

SCHEDULE B

APACHE CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated financial statements and related notes are presented to show the pro forma effects of the acquisition of oil and gas properties from Shell Offshore Inc. and affiliated entities (Shell) during the second quarter of 1999. The Shell transaction will be reported using the purchase method of accounting.

The pro forma condensed consolidated statements of operations are presented to show income from continuing operations as if the Shell transaction occurred effective January 1, 1998. The pro forma condensed consolidated balance sheet is based on the assumption that the Shell transaction occurred effective March 31, 1999.

Pro forma data are based on assumptions and include adjustments as explained in the notes to the unaudited pro forma condensed consolidated financial statements. The pro forma data are not necessarily indicative of the financial results that would have been attained had the Shell transaction occurred on the dates referenced above, and should not be viewed as indicative of operations in future periods. The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the notes thereto, Apache's Annual Report on Form 10-K for the year ended December 31, 1998 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 1999, and the Statement of Combined Revenues and Direct Operating Expenses included herein as Schedule A.

APACHE CORPORATION AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 1998
 (In thousands, except per share amounts)

	APACHE HISTORICAL -----	SHELL HISTORICAL -----	PRO FORMA ADJUSTMENTS -----	PRO FORMA -----
REVENUES				
Oil and gas production revenues	\$ 759,038	\$ 248,624	\$ --	\$ 1,007,662
Gathering, processing and marketing revenues	117,395	--	--	117,395
Other	(718)	--	--	(718)
	-----	-----	-----	-----
	875,715	248,624	--	1,124,339
	-----	-----	-----	-----
OPERATING EXPENSES				
Depreciation, depletion and amortization:				
Recurring	382,807	--	139,274 (a)	522,081
Additional	243,178	--	--	243,178
Operating costs	211,554	34,708	--	246,262
Gathering, processing and marketing costs	114,471	--	--	114,471
Administrative, selling and other	40,731	--	2,500 (b)	43,231
Financing costs, net	70,537	--	3,490 (c)	64,865
			(9,162) (d)	
	-----	-----	-----	-----
	1,063,278	34,708	136,102	1,234,088
	-----	-----	-----	-----
LOSS BEFORE INCOME TAXES	(187,563)	213,916	(136,102)	(109,749)
Provision (benefit) for income taxes	(58,176)	--	27,235 (e)	(30,941)
	-----	-----	-----	-----
NET LOSS	(129,387)	213,916	(163,337)	(78,808)
Preferred stock dividends	2,004	--	14,105 (f)	16,109
	-----	-----	-----	-----
LOSS ATTRIBUTABLE TO COMMON STOCK	\$ (131,391)	\$ 213,916	\$ (177,442)	\$ (94,917)
	=====	=====	=====	=====
NET LOSS PER COMMON SHARE:				
Basic	\$ (1.34)			\$ (0.83)
Diluted	\$ (1.34)			\$ (0.83)
Average common shares outstanding	98,066		15,950 (g)	114,016

The accompanying notes to unaudited pro forma condensed consolidated financial statements are an integral part of these statements.

APACHE CORPORATION AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE THREE MONTHS ENDED MARCH 31, 1999
 (In thousands, except per share amounts)

	APACHE HISTORICAL -----	SHELL HISTORICAL -----	PRO FORMA ADJUSTMENTS -----	PRO FORMA -----
REVENUES				
Oil and gas production revenues.....	\$ 162,303	\$ 43,428	\$ --	\$ 205,731
Gathering, processing and marketing revenues.....	24,594	--	--	24,594
Other.....	818	--	--	818
	-----	-----	-----	-----
	187,715	43,428	--	231,143
	-----	-----	-----	-----
OPERATING EXPENSES				
Depreciation, depletion and amortization.....	88,423	--	30,097 (a)	118,520
Operating costs.....	46,857	5,926	--	52,783
Gathering, processing and marketing costs.....	24,126	--	--	24,126
Administrative, selling and other.....	10,330	--	625 (b)	10,955
Financing costs, net.....	19,225	--	780 (c)	17,791
			(2,214) (d)	
	-----	-----	-----	-----
	188,961	5,926	29,288	224,175
	-----	-----	-----	-----
INCOME (LOSS) BEFORE INCOME TAXES.....	(1,246)	37,502	(29,288)	6,968
Provision for income taxes.....	922	--	2,875 (e)	3,797
	-----	-----	-----	-----
NET INCOME (LOSS).....	(2,168)	37,502	(32,163)	3,171
Preferred stock dividends.....	1,420	--	3,526 (f)	4,946
	-----	-----	-----	-----
LOSS ATTRIBUTABLE TO COMMON STOCK.....	\$ (3,588)	\$ 37,502	\$ (35,689)	\$ (1,775)
	=====	=====	=====	=====
NET LOSS PER COMMON SHARE:				
Basic.....	\$ (0.04)			\$ (0.02)
Diluted.....	\$ (0.04)			\$ (0.02)
Average common shares outstanding.....	97,788		15,950 (g)	113,738

The accompanying notes to unaudited pro forma condensed consolidated financial statements are an integral part of these statements.

APACHE CORPORATION AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
 AS OF MARCH 31, 1999
 (In thousands)

	APACHE HISTORICAL -----	PRO FORMA ADJUSTMENTS -----	PRO FORMA -----
ASSETS			
Current assets	\$ 240,420	\$ --	\$ 240,420
Net property and equipment	3,811,011	706,664 (1) 8,000 (2)	4,525,675
Other assets	40,089	--	40,089
	-----	-----	-----
	\$4,091,520	\$ 714,664	\$4,806,184
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities	\$ 228,342	\$ --	\$ 228,342
Long-term debt	1,532,048	24,235 (1) 8,000 (2)	1,564,283
Deferred credits and other noncurrent liabilities	535,549	--	535,549
	-----	-----	-----
Total Liabilities	2,295,939	32,235	2,328,174
Shareholders' equity	1,795,581	682,429 (1)	2,478,010
	-----	-----	-----
	\$4,091,520	\$ 714,664	\$4,806,184
	=====	=====	=====

The accompanying notes to unaudited pro forma condensed consolidated financial statements are an integral part of these statements.

APACHE CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

BASIS OF PRESENTATION

The unaudited pro forma statement of operations for the year ended December 31, 1998, is based on the audited financial statements of Apache for the year ended December 31, 1998, the audited statement of combined revenues and direct operating expenses for the Shell properties for the year ended December 31, 1998, and the adjustments and assumptions described below.

The unaudited pro forma statement of operations for the three months ended March 31, 1999, and the unaudited pro forma balance sheet as of March 31, 1999, are based on the unaudited financial statements of Apache as of and for the three months ended March 31, 1999, the unaudited statement of combined revenues and direct operating expenses for the Shell properties for the three months ended March 31, 1999, and the adjustments and assumptions described below.

PRO FORMA ADJUSTMENTS

THE UNAUDITED PRO FORMA STATEMENTS OF OPERATIONS REFLECT THE FOLLOWING ADJUSTMENTS:

- a. Record incremental depreciation, depletion and amortization expense, using the units-of-production method, resulting from the purchase of the Shell properties. Based on the preliminary Shell purchase price allocation and the discounted future net cash flows attributable to the Shell properties (calculated using year-end 1998 oil and gas prices), a ceiling test deficit would exist on the Shell properties as of December 31, 1998. Due to improved oil and gas prices since year-end, the Shell properties had a cushion for ceiling test purposes as of June 30, 1999. Accordingly, the accompanying pro forma financial statements do not reflect an additional ceiling test write-down for the Shell properties.
- b. Record assumed increase in general and administrative expense as a result of the purchase of the Shell properties.
- c. Record interest expense associated with debt of approximately \$60.7 million incurred under Apache's global credit facility to fund a portion of the purchase price before consideration of purchase price adjustments. Applicable interest rates on the facility were 5.75 percent for 1998 and 5.14 percent for the quarter ended March 31, 1999.
- d. Record capitalized interest, assuming \$122 million of the purchase price is allocated to unproved oil and gas properties with the balance of the purchase price allocated to proved properties. Capitalized interest relating to unproved properties reflects a rate of 7.51 percent for 1998 and 7.26 percent for the quarter ended March 31, 1999.
- e. Record a pro forma income tax provision, assuming a 35 percent rate, based on the pro forma change in pre-tax income.
- f. Record preferred stock dividends on 7,000,000 depository shares, each representing 1/50th of a share of Apache's Series C conversion preferred stock ("depository shares"), issued to finance the acquisition at a rate of \$2.015 per depository share.
- g. Record the issuance of 14,950,000 shares of Apache common stock to finance the acquisition and 1,000,000 shares of Apache common stock to Shell.

APACHE CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS - (CONTINUED)

THE UNAUDITED PRO FORMA BALANCE SHEET REFLECTS THE FOLLOWING ADJUSTMENTS:

1. Record the purchase price for the Shell properties, net of estimated purchase price adjustments totaling \$36.5 million, funded with:
 - o Net proceeds of approximately \$444.0 million from the sale of 14,950,000 shares of Apache common stock.
 - o Net proceeds of approximately \$210.3 million from the sale of 7,000,000 depository shares.
 - o The issuance of 1,000,000 shares of Apache common stock to Shell valued at \$28.125 per share.
 - o Proceeds from additional borrowings of approximately \$24.2 million after consideration of purchase price adjustments.

Purchase price adjustments are subject to further review and audit.
2. Record transaction costs, primarily investment banking fees, relating to the Shell transaction.

APACHE CORPORATION AND SUBSIDIARIES
PRO FORMA SUPPLEMENTAL OIL AND GAS DISCLOSURES
(UNAUDITED)

The following table sets forth certain unaudited pro forma information concerning Apache's proved oil and gas reserves at December 31, 1998, giving effect to the Shell transaction as if it had occurred on January 1, 1998. There are numerous uncertainties inherent in estimating the 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.

PROVED OIL AND NATURAL GAS RESERVES

	NATURAL GAS		
	APACHE	SHELL	PRO FORMA
	(MILLION CUBIC FEET)		
December 31, 1997	1,871,821	390,849	2,262,670
Extension, discoveries and other additions	555,912	11,379	567,291
Purchase of minerals in place	53,160	--	53,160
Revisions of previous estimates	(29,215)	15,024	(14,191)
Production	(215,389)	(61,785)	(277,174)
Sales of properties	(64,063)	--	(64,063)
	-----	-----	-----
December 31, 1998	2,172,226	355,467	2,527,693
	=====	=====	=====
Proved developed reserves			
December 31, 1997	1,554,312	327,341	1,881,653
	=====	=====	=====
December 31, 1998	1,450,109	294,963	1,745,072
	=====	=====	=====

	OIL, CONDENSATE AND NATURAL GAS LIQUIDS		
	APACHE	SHELL	PRO FORMA
	(THOUSANDS OF BARRELS)		
December 31, 1997	273,778	79,098	352,876
Extension, discoveries and other additions	57,173	4,224	61,397
Purchase of minerals in place	6,041	--	6,041
Revisions of previous estimates	(39,376)	(3,864)	(43,240)
Production	(27,663)	(9,182)	(36,845)
Sales of properties	(18,945)	--	(18,945)
	-----	-----	-----
December 31, 1998	251,008	70,276	321,284
	=====	=====	=====
Proved developed reserves			
December 31, 1997	203,145	65,654	268,799
	=====	=====	=====
December 31, 1998	177,999	58,696	236,695
	=====	=====	=====

APACHE CORPORATION AND SUBSIDIARIES
 PRO FORMA SUPPLEMENTAL OIL AND GAS DISCLOSURES - (CONTINUED)
 (UNAUDITED)

The following table sets forth unaudited pro forma information concerning the discounted future net cash flows from proved oil and gas reserves of Apache as of December 31, 1998, net of income tax expense, and giving effect to the acquisition of the Shell properties as if it had occurred on January 1, 1998. Income tax expense has been computed using assumptions relating to the future tax rates and the permanent differences and credits under the tax laws relating to oil and gas activities at December 31, 1998. Cash flows relating to the Shell properties are based on Apache's evaluation of reserves and on information provided by Shell. Future income tax expense on the Shell properties is based on Apache's estimated purchase price allocation. The information should be viewed only as a form of standardized disclosure concerning possible future cash flows that would result under the assumptions used, but should not be viewed as indicative of fair market value. Reference is made to Apache's financial statements for the fiscal year ended December 31, 1998, and the Statement of Combined Revenues and Direct Operating Expenses included herein as Schedule A, for a discussion of the assumptions used in preparing the information presented.

FUTURE NET CASH FLOWS	APACHE -----	SHELL ----- (IN THOUSANDS)	PRO FORMA -----
Cash inflows	\$ 6,502,704	\$ 1,424,206	\$ 7,926,910
Production and development costs	(2,508,092)	(651,106)	(3,159,198)
Income tax expense	(807,246)	(70,661)	(877,907)
	-----	-----	-----
Net cash flows	3,187,366	702,439	3,889,805
10% discount rate	(1,223,315)	(206,478)	(1,429,793)
	-----	-----	-----
Discounted future net cash flows (1)	\$ 1,964,051 =====	\$ 495,961 =====	\$ 2,460,012 =====

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

	APACHE -----	SHELL ----- (IN THOUSANDS)	PRO FORMA -----
Sales, net of production costs	\$ (551,457)	\$ (213,916)	\$ (765,373)
Net change in prices and production costs	(1,253,213)	(517,552)	(1,770,765)
Discoveries and improved recovery, net of related costs	620,153	25,976	646,129
Change in future development costs	251,638	72,468	324,106
Revisions of quantities	(149,859)	(7,686)	(157,545)
Purchases of minerals in-place	52,785	--	52,785
Accretion of discount	327,262	110,466	437,728
Change in income taxes	277,518	198,972	476,490
Sales of properties	(132,337)	--	(132,337)
Change in production rates and other	(41,701)	(28,310)	(70,011)
	-----	-----	-----
	\$ (599,211) =====	\$ (359,582) =====	\$ (958,793) =====

(1) Pro forma future net cash flows before income tax expense, discounted at 10% per annum, totaled approximately \$2.94 billion.

INDEX TO EXHIBITS

EXHIBIT NO. -----	DESCRIPTION -----
2.1	Asset Purchase Agreement, dated effective March 1, 1999, between Shell Offshore Inc. and certain affiliated Shell entities, as Seller, and Apache Corporation, as Buyer (incorporated by reference to Apache's Form 8-K dated May 18, 1999, filed on May 26, 1999, SEC File No. 1-4300).
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* filed herewith

BYLAWS OF
APACHE CORPORATION
(AS AMENDED JULY 14, 1999)

ARTICLE I.

NAME OF CORPORATION

The name of the corporation is Apache Corporation.

ARTICLE II.

OFFICES

SECTION 1. The principal office of the corporation shall be in the City of Wilmington, County of New Castle, State of Delaware, and the name of its resident agent in charge thereof is The Corporation Trust Company.

SECTION 2. The corporation may have such other offices either within or without the State of Delaware as the board of directors may designate or as the business of the corporation may from time to time require.

ARTICLE III.

SEAL

The corporate seal shall have inscribed upon it the name of the corporation and other designations as the board of directors from time to time determine. There may be alternate seals of the corporation.

ARTICLE IV.

MEETINGS OF STOCKHOLDERS

SECTION 1. PLACE OF MEETINGS. All meetings of the stockholders of the corporation shall be held at the office of the corporation in the City of Houston, Texas, or at any other place within or without the State of Delaware that shall be stated in the notice of the meeting.

SECTION 2. ANNUAL MEETINGS. The annual meeting of stockholders of the corporation shall be held at the place and time within or without the State of Delaware that may be designated by the board of directors, on the last Thursday in April in each year or on such other date as may be designated by the board of directors, if not a legal holiday, and if a legal holiday, then at the same time on the next succeeding business day for the purpose of electing directors and for the transaction of any other business that may properly come before the meeting.

SECTION 3. SPECIAL MEETINGS OF THE STOCKHOLDERS. Special meetings of the stockholders of the corporation, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the chairman of the board and shall be called by the chairman of the board or secretary at the request in writing of a majority of the board of directors. The request shall state the purpose or purposes of the proposed meeting.

SECTION 4. NOTICE OF MEETING. Written or printed notice stating the place, day and hour of the meeting and in the case of special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than 50 days before the date of the meeting either personally, by mail or other lawful means by or at the direction of the chairman of the board or the secretary to each stockholder of record entitled to vote at the meetings. If mailed, the notice shall be deemed to be delivered when deposited in the United States Postal Service, addressed to the stockholder at his address as it appears on the stock transfer books of the corporation with postage thereon prepaid.

SECTION 5. CLOSING OF TRANSFER BOOKS FOR FIXING OF RECORD DATE. For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or adjournment thereof, the board of directors may close the stock transfer books of the corporation for a period not exceeding 50 days preceding the date of any meeting of stockholders. In lieu of closing the stock transfer books, the board of directors may fix in advance a date, not exceeding 50 days preceding the date of any meeting of stockholders, as a record date for the determination of the stockholders entitled to notice of and to vote at the meeting and any adjournment thereof, and only the stockholders as shall be stockholders of record on the date so fixed shall be entitled to the notice of and to vote at the meeting and any adjournment thereof.

SECTION 6. VOTING LISTS. The officer or agent having charge of the stock transfer books for shares of the corporation shall prepare and make, at least ten days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The list shall be open to the examination of any stockholder during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the election is to be held and which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held, and the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and subject to the inspection of any stockholder who may be present. Upon the willful neglect or refusal of the board of directors of the corporation to produce a list at any meeting of the stockholders at which an election is to be held in accordance with this Section 6, they shall be ineligible to hold any office at such election.

SECTION 7. VOTING RIGHTS. At each meeting of the stockholders of the corporation, every stockholder having the right to vote thereat shall be entitled to vote in person or by proxy, but no proxy shall be voted after three years from its date unless the proxy provides for a longer period. Except as otherwise provided by law or the Certificate of Incorporation, each stockholder shall have one vote for each share of stock having voting power registered in his name. The vote at an election for directors, and upon the demand of any stockholder, the vote upon any question before a meeting of the stockholders, shall be by written ballot. All elections shall be had and all questions decided by a plurality vote except where by statute, by provision in the Certificate of Incorporation or these bylaws it is otherwise provided.

Prior to any meeting, but subsequent to the date fixed by the board of directors pursuant to Section 5 of Article IV of these bylaws, any proxy may submit his proxy to the secretary for examination. The certificate of the secretary as to the regularity of the proxy and as to the number of shares held by the persons who severally and respectively executed such proxies shall be received as prima facie evidence of the number of shares represented by the holder of the proxy for the purpose of establishing the presence of a quorum at the meeting and of organizing the same.

SECTION 8. QUORUM. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, initially present in person or represented by proxy, shall be requisite, and shall constitute a quorum of all meetings of the stockholders for the transaction of business except as otherwise provided by law, by the Certificate of Incorporation, or by these bylaws. If, however, a majority shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or by proxy, shall have power to adjourn the meeting from time to time, without notice, other than announcement at the meeting, until the requisite amount of voting stock shall be present. At the adjourned meeting at which the requisite amount of voting stock shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 9. INSPECTORS. At each meeting of the stockholders, the polls shall be opened and closed. The proxies and the ballots shall be received and taken in charge and all questions touching the qualifications of voters and the validity of proxies and the acceptance or rejection of votes shall be decided by three inspectors. The inspectors shall be appointed by the board of directors before or at the meeting, or if no appointment shall have been made, then by the presiding officer at the meeting. If, for any reason any of the inspectors previously appointed shall fail to attend or refuse or be unable to serve, inspectors in place of any so failing to attend or refusing or unable to serve shall be appointed in like manner.

SECTION 10. WAIVER OF NOTICE. Whenever any notice whatever is required to be given pursuant to the provisions of a statute, the Certificate of Incorporation or these bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

SECTION 11. STOCKHOLDER ACTION. Any action required or permitted to be taken by the stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing by stockholders.

SECTION 12. NOTICE OF STOCKHOLDER BUSINESS. At an annual meeting of the stockholders, only business shall be conducted that has been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors, (b) otherwise properly brought before the meeting by or at the direction of the board of directors, or (c) otherwise properly brought before the meeting by a stockholder, which stockholder must have given timely notice thereof in writing to the secretary of the corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation, not less than 60 days nor more than 90 days prior to the meeting; provided, however, that in the event that less than 70 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely, must be so received not later than the close of business on the tenth day following the day on which the notice of the date of the annual meeting was mailed or public disclosure was made. A stockholder's notice to the secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (w) a brief description of the business desired to be brought before the annual meeting, (x) the name and address, as they appear on the corporation's books, of the stockholder proposing the business, (y) the class and number of shares of the corporation which are beneficially owned by the stockholder, and (z) any material interest of the stockholder in the business. Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 12. The chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 12, and if he should so determine, he shall so declare to the meeting and any business not properly brought before the meeting shall not be transacted. This section sets forth only the procedure by which business may be properly brought before an annual meeting of stockholders and does not in any way grant additional rights to stockholders beyond those currently afforded them by law.

SECTION 13. NOTICE OF STOCKHOLDER NOMINEES. Only persons who are nominated in accordance with the procedures set forth in this Section 13 shall be eligible for election as directors. Nominations of persons for election to the board of directors of the corporation may be made at a meeting of stockholders, by or at the direction of the board of directors or by any stockholder of the corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 13. Any nominations, other than those made by or at the direction of the board of directors, shall be made pursuant to timely notice in writing to the secretary of the corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the corporation not less than 60 days nor more than 90 days prior to the meeting; provided, however, that in the event that less than 70 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth day following the day on which the notice of the date of the meeting was mailed or public disclosure was made. The stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate

for election or reelection as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of the corporation which are beneficially owned by the person, and (iv) any other information relating to the person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including without limitation the person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and (b) as to the stockholder giving the notice (i) the name and address, as they appear on the corporation's books, of the stockholder and (ii) the class and number of shares of the corporation which are beneficially owned by the stockholder. At the request of the board of directors, any person nominated by the board of directors for election as a director shall furnish to the secretary of the corporation that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in this Section 13. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by these bylaws, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded. This section sets forth only the procedure by which nominations for directors may be made and does not in any way grant additional rights to stockholders beyond those currently afforded them by law.

ARTICLE V.

DIRECTORS

SECTION 1. GENERAL POWERS. The property, business and affairs of the corporation shall be managed by its board of directors which may exercise all powers of the corporation and do all lawful acts and things as are not by statute or by the Certificate of Incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS. The board of directors shall consist of not less than seven nor more than 13 members; however, if the corporation has outstanding any shares of one or more series of stock with conditional rights to elect a set number of directors, and if the conditions precedent to the exercise of any such rights arise, the number of directors of the corporation shall be automatically increased to permit the exercise of the voting rights of each such series of stock. The directors shall be elected in the manner set forth in Article Ninth of the Certificate of Incorporation of the corporation. The term of office of directors shall be three years except as provided in Article Ninth of the Certificate of Incorporation of the corporation. Directors need not be stockholders or residents of the State of Delaware.

SECTION 3. VACANCIES AND NEWLY CREATED DIRECTORSHIPS. Any vacancies on the board of directors or any newly created directorships shall be filled by the board of directors in the manner set forth in Article Ninth of the Certificate of Incorporation of the corporation. If the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any increase therein), then upon application, any stockholder or stockholders

holding at least ten percent of the total number of shares of the capital stock of the corporation at the time outstanding having the right to vote for directors may require the board of directors to call a special meeting of the stockholders for the purpose of electing directors to fill the vacancy or vacancies or newly created directorships or to replace the director or directors chosen by the directors then in office as aforesaid. The person or persons elected at a special meeting of the stockholders shall serve as director or as directors until the next annual meeting of stockholders and until their successors are duly elected and qualified and shall displace any person or persons who may theretofore have been appointed by the directors then in office as aforesaid.

SECTION 4. CATASTROPHE. During any emergency period following a national catastrophe due to enemy attack, or act of God, a majority of the surviving members of the board who have not been rendered incapable of acting due to physical or mental incapacity or due to the difficulty of transportation to the place of the meeting shall constitute a quorum for the purpose of filling vacancies on the board of directors and among the elected and appointed officers of the corporation.

SECTION 5. PLACE OF MEETINGS. The directors of the corporation may hold their meetings, both regular and special, at a place or places within or without the State of Delaware that the board of directors may from time to time determine.

SECTION 6. FIRST MEETING. The first meeting of the board of directors following the annual meeting of stockholders shall be held at the time and place that shall be fixed by the chairman of the board and shall be called in the same manner as a special meeting.

SECTION 7. REGULAR MEETINGS. Regular meetings of the board of directors may be held without notice at the time and place that shall from time to time be determined by the board of directors.

SECTION 8. SPECIAL MEETINGS. Special meetings of the board of directors may be called by the chairman of the board on three days notice to each director, either personally or by mail, by telegram, or by facsimile or other lawful means; special meetings of the board of directors shall be called by the chairman of the board or secretary in like manner and upon like notice upon the written request of two directors.

SECTION 9. QUORUM. At all meetings of the board of directors, a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting, at which there is a quorum present, shall be the act of the board of directors, except as may be otherwise specifically provided by statute, the Certificate of Incorporation or by these bylaws. If at any meeting of the board of directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time without notice, other than by announcement at the meeting, until a sufficient number of directors to constitute a quorum shall attend. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting as originally notified.

SECTION 10. BUSINESS TO BE CONDUCTED. Unless otherwise indicated in the notice, any and all business may be transacted at a regular or special meeting of the board of directors. In the

event a special meeting of the board of directors is held without notice, any and all business may be transacted at the meeting provided all directors are present.

SECTION 11. ORDER OF BUSINESS. At all meetings of the board of directors, business shall be transacted in the order that from time to time the board may determine by resolution. At all meetings of the board of directors the chairman of the board or in his absence the vice chairman shall preside. In the absence of the chairman and vice chairman of the board, the directors present shall elect any director as chairman of the meeting.

SECTION 12. COMPENSATION OF DIRECTORS. Directors of the corporation shall receive the compensation for their services that the board of directors may from time to time determine and all directors shall be reimbursed for their expenses of attendance at each regular or special meeting of the board or any committee thereof.

SECTION 13. COMMITTEES. The board of directors may by resolution passed by a majority of the board, in addition to the executive committee, designate one or more committees. Each such committee shall consist of one or more of the directors of the corporation, such number to be set by resolution of the board of directors, or as otherwise provided in Section 14 below. Any committee, to the extent provided in the resolution, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. Any committee or committees shall have the name or names that may be determined from time to time by resolution adopted by the board of directors. Other than for a committee of one director, the chairman of the board shall be an ex officio member of any board committee except the audit committee, the management development and compensation committee, and the stock option plan committee.

SECTION 14. EXECUTIVE COMMITTEE.

A. MEMBERS. The executive committee shall consist of such number of directors as set by resolution of the board of directors, with a minimum of four members, and shall include the chairman and vice chairman of the board as ex officio members, together with the other members of the board of directors, as may be the case, designated by the board of directors.

B. TERM OF OFFICE. Each of the elected members of the executive committee shall be elected for a one year term and shall serve until his successor shall have been duly elected and qualified.

C. ELECTION. The election of members of the executive committee shall be held each year at the first meeting of the board of directors following the annual meeting of stockholders. Should a member of the executive committee for any reason be unable to serve for the term to which he was elected, the vacancy shall be filled by the board of directors at its next meeting following the occurrence of such vacancy.

D. COMPENSATION. Each member of the executive committee shall receive the compensation that the board of directors shall from time to time determine and shall be reimbursed for their expenses of attendance at regular or special meetings.

E. CHAIRMAN AND SECRETARY OF THE EXECUTIVE COMMITTEE. The chairman and secretary of the executive committee shall be elected by members of the executive committee.

F. MEETINGS. Regular meetings of the executive committee may be held without call or notice of the time and place that the executive committee determines. Special meetings of the executive committee may be called by any member, either personally or by mail, by telegram, by facsimile or other lawful means forwarded not later than 48 hours prior to the date and time set forth for the meeting. Upon request of any member, the secretary of the corporation shall give the required notice calling the meeting.

G. QUORUM. At any meeting of the executive committee, a majority of the committee members shall constitute a quorum. Any action of the executive committee to be effective must be authorized by the affirmative votes of a majority of committee members.

H. RULES. The executive committee shall fix its own rules of procedure, provided the same do not contravene the provisions of the law, the Certificate of Incorporation or these bylaws.

I. AUTHORITY AND RESPONSIBILITY.

(a) The executive committee is vested with the authority to exercise the full power of the board of directors, within the policies established by the board of directors to govern the conduct of the business of the corporation, in the intervals between meetings of the board of directors.

(b) The executive committee, in addition to the general authority vested in it, may be vested with other specific powers and authority by resolution of the board of directors.

J. REPORTS. All action by the executive committee shall be reported to the board of directors at its meeting next succeeding the action, and shall be subject to revision or alteration by the board of directors; provided, however, that no rights or acts of third parties shall be affected by any such revision or alteration.

SECTION 15. AUDIT COMMITTEE.

A. MEMBERS. The audit committee shall include only outside directors of the corporation.

B. TERM OF OFFICE. Each of the elected members of the audit committee shall be elected for a one year term and shall serve until a successor shall have been duly elected and qualified.

C. ELECTION. The election of members of the audit committee shall be held each year at the first meeting of the board of directors following the annual meeting of stockholders. Should a member

of the audit committee for any reason be unable to serve for the term to which he was elected, the vacancy shall be filled by the board of directors at its next meeting.

D. COMPENSATION. Each member of the audit committee shall receive the compensation the board of directors determines and shall be reimbursed for their expenses for attendance at regular or special meetings.

E. CHAIRMAN AND SECRETARY OF THE AUDIT COMMITTEE. The chairman and secretary of the audit committee shall be elected by the members of the audit committee.

F. MEETINGS. Regular meetings of the audit committee may be held without call or notice of the time and place that the audit committee determines. Special meetings of the audit committee may be called by any member, either personally or by mail, by telegram, by facsimile or other lawful means forwarded not later than 48 hours prior to the date and time set forth for the meeting. Upon request of any member, the secretary of the corporation shall give the required notice calling the meeting.

G. QUORUM. At any meeting of the audit committee, a majority of committee members shall constitute a quorum. Any action of the audit committee to be effective must be authorized by the affirmative votes of a majority of committee members.

H. RULES. The audit committee shall determine its own rules of procedure, provided the rules do not contravene the provisions of the law, the Certificate of Incorporation or these bylaws.

I. AUTHORITY AND RESPONSIBILITY.

(a) The audit committee is vested with the authority to (i) review with the independent and internal auditors of the corporation their respective audit and review programs and procedures; (ii) review the corporation's financial statements; (iii) review the adequacy of the corporation's system of internal accounting controls and the scope and results of internal audit engagements, special services provided by them and related fees; and (iv) make recommendations to the board of directors regarding the independence of the independent auditors and their engagement or discharge.

(b) The audit committee, in addition to the authority vested in it under subsection (a) above, may be vested with other specific powers and authority by resolution of the board of directors.

J. REPORTS. All action by the audit committee shall be reported to the board of directors at its next meeting, and shall be subject to revision or alteration by the board of directors.

SECTION 16. MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE

A. MEMBERS. The management development and compensation committee shall include only outside directors of the corporation.

B. TERM OF OFFICE. Each of the elected members of the management development and compensation committee shall be elected for a one year term and shall serve until a successor shall have been duly elected and qualified.

C. ELECTION. The election of members of the management development and compensation committee shall be held each year at the first meeting of the board of directors following the annual meeting of stockholders. Should a member of the management development and compensation committee for any reason be unable to serve for the term to which he was elected, the vacancy shall be filled by the board of directors at its next meeting.

D. COMPENSATION. Each member of the management development and compensation committee shall receive the compensation the board of directors determines and shall be reimbursed for their expenses for attendance at regular or special meetings.

E. CHAIRMAN AND SECRETARY OF THE MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE. The chairman and secretary of the management development and compensation committee shall be elected by the members of the management development and compensation committee.

F. MEETINGS. Regular meetings of the management development and compensation committee may be held without call or notice of the time and place that the management development and compensation committee determines. Special meetings of the management development and compensation committee may be called by any member, either personally or by mail, by telegram, by facsimile or other lawful means forwarded not later than 48 hours prior to the date and time set forth for the meeting. Upon request of any member, the secretary of the corporation shall give the required notice calling the meeting.

G. QUORUM. At any meeting of the management development and compensation committee, a majority of committee members shall constitute a quorum. Any action of the management development and compensation committee to be effective must be authorized by the affirmative votes of a majority of committee members.

H. RULES. The management development and compensation committee shall determine its own rules of procedure, provided the rules do not contravene the provisions of the law, the Certificate of Incorporation or these bylaws.

I. AUTHORITY AND RESPONSIBILITY. The management development and compensation committee has three principal responsibilities:

- (a) to monitor the corporation's management resources, structure, succession planning, development, and selection process, and the performance of key executives;
- (b) to review and approve executive compensation and changes; and
- (c) to make such reports on executive compensation as appropriate or required.

The management development and compensation committee also serves as the committee administering all incentive compensation plans other than the corporation's stock option plans.

J. REPORTS. All action by the management development and compensation committee shall be reported to the board of directors at its next meeting, and shall be subject to revision or alteration by the board of directors.

SECTION 17. STOCK OPTION PLAN COMMITTEE

A. MEMBERS. The stock option plan committee shall include only directors of the corporation who qualify as "outside directors" pursuant to Section 162(m) or any successor section(s) of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

B. TERM OF OFFICE. Each of the elected members of the stock option plan committee shall be elected for a one year term and shall serve until a successor shall have been duly elected and qualified.

C. ELECTION. The election of members of the stock option plan committee shall be held each year at the first meeting of the board of directors following the annual meeting of stockholders. Should a member of the stock option plan committee for any reason be unable to serve for the term to which he was elected, the vacancy shall be filled by the board of directors at its next meeting.

D. COMPENSATION. Each member of the stock option plan committee shall receive the compensation the board of directors determines and shall be reimbursed for their expenses for attendance at regular or special meetings.

E. CHAIRMAN AND SECRETARY OF THE STOCK OPTION PLAN COMMITTEE. The chairman and secretary of the stock option plan committee shall be elected by the members of the stock option plan committee.

F. MEETINGS. Regular meetings of the stock option plan committee may be held without call or notice of the time and place that the stock option plan committee determines. Special meetings of the stock option plan committee may be called by any member, either personally or by mail, by telegram, by facsimile or other lawful means forwarded not later than 48 hours prior to the date and time set forth for the meeting. Upon request of any member, the secretary of the corporation shall give the required notice calling the meeting.

G. QUORUM. At any meeting of the stock option plan committee, a majority of committee members shall constitute a quorum, provided that such quorum shall not be less than two members. Any action of the stock option plan committee to be effective must be authorized by the affirmative votes of a majority of committee members.

H. RULES. The stock option plan committee shall determine its own rules of procedure, provided the rules do not contravene the provisions of the law, the Certificate of Incorporation or these bylaws.

I. AUTHORITY AND RESPONSIBILITY. The stock option plan committee has two principal responsibilities:

(a) to monitor and report on the corporation's stock option plans; and

(b) to establish any performance goals under which compensation in the form of stock option grants is paid to employees of the corporation, and to make such grants of stock options, in the discretion of the stock option plan committee, on the terms and conditions set forth in the option plans or otherwise established by the stock option plan committee.

J. REPORTS. All action by the stock option plan committee shall be reported to the board of directors at its next meeting, and is subject to ratification by the board of directors.

SECTION 18. NOMINATING COMMITTEE.

A. MEMBERS. The nominating committee may consist of any of the members of the board of directors.

B. TERM OF OFFICE. Each of the elected members of the nominating committee shall be elected for a one year term and shall serve until a successor shall have been duly elected and qualified.

C. ELECTION. The election of members of the nominating committee shall be held each year at the first meeting of the board of directors following the annual meeting of stockholders. Should a member of the nominating committee for any reason be unable to serve for the term to which he was elected, the vacancy shall be filled by the board of directors at its next meeting.

D. COMPENSATION. Each member of the nominating committee shall receive the compensation the board of directors determines and shall be reimbursed for their expenses for attendance at regular or special meetings.

E. CHAIRMAN AND SECRETARY OF THE NOMINATING COMMITTEE. The chairman and secretary of the nominating committee shall be elected by the members of the nominating committee.

F. MEETINGS. Regular meetings of the nominating committee may be held without call or notice of the time and place that the nominating committee determines. Special meetings of the nominating committee may be called by any member, either personally or by mail, by telegram, by facsimile or other lawful means forwarded not later than 48 hours prior to the date and time set forth for the meeting. Upon request of any member, the secretary of the corporation shall give the required notice calling the meeting.

G. QUORUM. At any meeting of the nominating committee, a majority of committee members shall constitute a quorum. Any action of the nominating committee to be effective must be authorized by the affirmative votes of a majority of committee members.

H. RULES. The nominating committee shall determine its own rules of procedure, provided the rules do not contravene the provisions of the law, the Certificate of Incorporation or these bylaws.

I. AUTHORITY AND RESPONSIBILITY.

(a) The nominating committee is vested with the authority and responsibility to (i) recommend to the board of directors criteria for selection of candidates to serve on the board of directors; (ii) recommend to the board of directors qualified candidates to fill any newly created directorships or vacancies on the board of directors which occur between annual meetings of stockholders without regard to race, sex, age, religion or physical disability; (iii) recommend candidates for election to the committees of the board of directors; (iv) periodically review, assess, and make recommendations to the board of directors with regard to the size and composition of the board of directors, and its evaluation of incumbent directors; (v) cause the names of all director candidates that are approved by the board of directors to be listed in the corporation's proxy materials and support the election of all candidates so nominated by the board of directors to the extent permitted by law; (vi) evaluate and recommend to the board of directors potential candidates to serve in the future on the board of directors to assure the continuity and succession of the board of directors; and (vii) otherwise aid in attracting qualified candidates to the board of directors.

(b) Only candidates recommended by the nominating committee shall be eligible for nomination by the board of directors for election, or to fill a vacancy or any newly created directorship, but if the board does not approve one or more of the candidates recommended by the nominating committee, the nominating committee shall submit a recommendation of other candidates. If for any reason the nominating committee shall fail to act or determines not to make a recommendation, the board of directors shall fill any vacancy or newly created directorship in the manner that it deems appropriate.

(c) The nominating committee, in addition to the authority vested in it under subsections (a) and (b) above, shall have all additional powers necessary to carry out its responsibilities, and may be vested with other specific powers and authority by resolution of the board of directors.

J. REPORTS. All action by the nominating committee shall be reported to the board of directors at its next meeting, and shall be subject to revision or alteration by the board of directors.

K. RIGHTS OF STOCKHOLDERS. Nothing in this Section 18 shall affect or restrict the right of any stockholder to nominate any person for election as a director where such nomination is otherwise authorized by law and made in accordance with Section 13 of Article IV of these bylaws.

SECTION 19. ELECTION OF OFFICERS. At the first meeting of the board of directors in each year, at which a quorum shall be present, following the annual meeting of the stockholders of the corporation, the board of directors shall proceed to the election of the officers of the corporation, except regional or staff officers who are subject to appointment in accordance with Section 19 of Article VI of these bylaws.

SECTION 20. ACTION WITHOUT MEETING. Any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if prior to the action a written consent thereto is signed by all members of the board of directors or of the committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the board of directors or committee.

SECTION 21. WAIVER OF NOTICE. Whenever any notice whatever is required to be given pursuant to the provisions of a statute, the Certificate of Incorporation or these bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE VI.

OFFICERS

SECTION 1. OFFICERS. The officers of the corporation shall be a chairman of the board, vice chairman of the board, president, one or more executive vice presidents, one or more senior vice presidents, one or more vice presidents, secretary, treasurer, controller and such assistant vice presidents, assistant secretaries, assistant treasurers and assistant controllers as the board of directors may provide for and elect. The chairman of the board and the vice chairman of the board shall be members of the board of directors. Any two or more offices may be held by the same person. The board of directors may appoint such other officers as they shall deem necessary, who shall have the authority and shall perform the duties that from time to time may be prescribed by the board of directors. In its discretion, the board of directors by a vote of a majority thereof may leave unfilled for any period that it may fix by resolution any office except those of president, treasurer and secretary.

SECTION 2. ELECTION. The board of directors at their first meeting after each annual meeting of the stockholders or at any regular or special meeting shall elect, as may be required, a chairman of the board, vice chairman of the board, president, and one or more executive vice presidents, senior vice presidents, vice presidents, a secretary, treasurer, controller, and assistant vice presidents, assistant secretaries, assistant treasurers, and assistant controllers.

SECTION 3. TENURE. The officers of the corporation elected by the board of directors shall hold office for one year and until their successors are chosen and qualify in their stead. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors.

SECTION 4. SALARIES. The salaries of the officers of the corporation shall be recommended by the management development and compensation committee and approved by the board of directors.

SECTION 5. VACANCIES. If the office of any officer of the corporation becomes vacant by reason of death, resignation, disqualification or otherwise, the directors by a majority vote, may choose his successor or successors.

SECTION 6. RESIGNATION. Any officer may resign his office at any time, such resignation to be made in writing and take effect at the time of receipt by the corporation, unless some time be fixed in the resignation and then from that time. The acceptance of a resignation shall not be required to make it effective.

SECTION 7. DELEGATION OF DUTIES. Duties of officers may be delegated in case of the absence of any officer of the corporation or for any reason that the board of directors may deem sufficient. The board of directors may delegate the powers or duties of the officer to any other officer or to any director, except as otherwise provided by statute, for the time being, provided a majority of the entire board of directors concurs therein.

SECTION 8. CHAIRMAN OF THE BOARD. The chairman of the board shall be the chief executive officer and shall have, subject to the direction of the board of directors, general control and management of the corporation's business and affairs and shall see that all the policies and resolutions of the board of directors are carried into effect, subject, however, to the right of the board of directors to delegate any specific powers, except such as may be by statute exclusively conferred on the president, to any other officer or officers of the corporation. He shall preside at all meetings of stockholders and the board of directors at which he may be present.

SECTION 9. VICE CHAIRMAN OF THE BOARD. The vice chairman shall preside at all meetings of the board of directors and stockholders from which the chairman of the board may be absent, and shall perform such other duties that shall be specifically assigned to him from time to time by the board of directors or the chairman of the board.

SECTION 10. PRESIDENT. The president shall be the chief operating officer and shall perform those duties that shall be specifically assigned to him from time to time by the board of directors. In the absence of the chief executive officer or in the event of his death, inability or refusal to act, the president shall perform the duties of the chief executive officer, and when so acting shall have the powers of and be subject to all the restrictions upon the chief executive officer.

SECTION 11. EXECUTIVE VICE PRESIDENTS, SENIOR VICE PRESIDENTS, AND VICE PRESIDENTS. In the absence of the president or in the event of his death, inability or refusal to act, the senior executive vice president present shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. In the absence of the president and all executive or senior vice presidents, or in the event of their deaths, inability or refusal to act, a vice president designated by the board of directors, or in case the board of directors has failed to act, designated by the chief executive officer, shall perform the duties of the

president and when so acting shall have all the powers of and be subject to all the restrictions upon the president. The executive vice presidents, the senior vice presidents, and all other vice presidents shall perform those duties consistent with these bylaws and that may be specifically designated by the president or by the board of directors.

SECTION 12. ASSISTANT VICE PRESIDENTS. The assistant vice presidents shall perform those duties, not inconsistent with these bylaws, the Certificate of Incorporation or statute, that may be specifically designated by the board of directors or the president. In the absence of the executive vice presidents, senior vice presidents, or vice presidents, an assistant vice president (or in the event there be more than one assistant vice president, the assistant vice presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the executive vice presidents, senior vice presidents or vice presidents, and when so acting, shall have all the powers of and be subject to all restrictions upon the executive vice presidents, the senior vice presidents, and vice presidents.

SECTION 13. SECRETARY. The secretary shall attend and keep all the minutes of all meetings of the board of directors and all meetings of the stockholders and, when requested by the board of directors, of any committees of the board of directors. He shall give, or cause to be given, notice of all meetings of the stockholders and board of directors and when so ordered by the board of directors, shall affix the seal of the corporation thereto; he shall have charge of all of those books and records that the board of directors may direct, all of which shall, at all reasonable times, be open to the examination of any director at the office of the corporation during business hours; he shall, in general, perform all of the duties incident to the office of secretary subject to the control of the board of directors or of the president, under whose supervision he shall be, and shall do and perform any other duties that may from time to time be assigned to him by the board of directors.

SECTION 14. ASSISTANT SECRETARIES. In the absence of the secretary or in the event of his death, inability or refusal to act, the assistant secretary (or in the event there be more than one assistant secretary, the assistant secretaries in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the secretary and shall perform any other duties that may from time to time be assigned to him by the board of directors, the president or the secretary.

SECTION 15. TREASURER. The treasurer shall have custody of and be responsible for all funds and securities of the corporation, receive and give receipts for money due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in those banks or depositories that shall be selected and designated by the board of directors and shall in general perform all of the duties incident to the office of treasurer and any other duties that may be assigned to him by the president or by the board of directors. If required by the board of directors, the treasurer shall give bond for the faithful discharge of his duties in the sum and with the surety or sureties as the board of directors shall determine.

SECTION 16. ASSISTANT TREASURERS. In the absence of the treasurer or in the event of his death, inability or refusal to act, the assistant treasurer (or in the event there be more than one assistant treasurer, the assistant treasurers in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the treasurer and when so acting shall have all the powers and be subject to all the restrictions upon the treasurer, and shall perform any other duties that from time to time may be assigned to him by the president, treasurer or the board of directors. The assistant treasurers shall, if required by the board of directors, give bonds for the faithful discharge of their duties in the sums and with the surety or sureties that the board of directors shall determine.

SECTION 17. CONTROLLER. The controller shall maintain adequate records of all assets, liabilities and transactions of the corporation; see that adequate audits thereof are currently and regularly made; and, in conjunction with other officers and department heads, initiate and enforce measures and procedures whereby the business of the corporation shall be conducted with the maximum safety, efficiency and economy. Except as otherwise determined by the board of directors, or lacking a determination by the board of directors, then by the president, his duties and powers shall extend to all subsidiary corporations and, so far as may be practicable, to all affiliate corporations. He shall have any other powers and perform other duties that may be assigned to him by the president or by the board of directors. If required by the board of directors, the controller shall give bond for the faithful discharge of his duties in the sum and with the surety or sureties as the board of directors shall determine.

SECTION 18. ASSISTANT CONTROLLERS. In the absence of the controller or in the event of his death, inability or refusal to act, the assistant controller (or in the event there be more than one assistant controller, the assistant controllers, in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the controller and when so acting shall have all the powers and be subject to all the restrictions upon the controller, and shall perform any other duties that from time to time may be assigned to him by the president, controller or the board of directors. The assistant controllers shall, if required by the board of directors, give bonds for the faithful discharge of their duties in the sums and with the surety or sureties that the board of directors shall determine.

SECTION 19. REGIONAL OR STAFF VICE PRESIDENTS.

A. ELECTION. One or more regional or staff vice presidents may be appointed by the chairman of the board, or the authority for such appointments may be delegated by the chairman of the board to the president of the corporation.

B. TENURE. The regional or staff vice presidents appointed by the chairman of the board or the president of the corporation shall hold office for one year and until their successors are chosen and qualify in their stead. Any regional or staff vice president so appointed may be removed at any time by the chairman of the board or the president of the corporation.

C. DUTIES. The regional or staff vice presidents shall do and perform those duties that shall from time to time be specifically designated or assigned by the chairman of the board or the president of the corporation; however, the regional or staff vice presidents shall not perform "policy-making functions" as defined pursuant to Section 16 or any successor section(s) of the Securities Exchange Act of 1934, as amended, and shall be deemed not to be subject to such Section 16 and the rules and regulations promulgated thereunder.

ARTICLE VII.

INDEMNIFICATION OF OFFICERS, DIRECTORS,
EMPLOYEES AND AGENTS

SECTION 1. The board of directors shall cause the corporation to indemnify any person (and that person's heirs and personal representatives) who was or is a party or is threatened or expected to be made a party to any threatened, pending or completed action, suit, arbitration or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, partner or agent of another corporation, partnership (including a partnership in which the corporation is a partner), joint venture, trust or other enterprise, against expenses (including, but not limited to, attorneys' fees, expert fees, bonds, prospective or retroactive insurance premiums or costs, litigation, appeal and court costs and out-of-pocket expenses of such person during any investigation hearing, arbitration, trial, or appeal of any such action, suit or proceeding, including any interest payable thereon), judgments, damages, arbitration awards, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, arbitration or proceeding, including any interest payable thereon, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

SECTION 2. The board of directors shall indemnify any person (and that person's heirs and personal representatives) who was or is a party or is threatened or expected to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee, partner or agent of another corporation, partnership (including a partnership in which the corporation is a partner), joint venture, trust or other enterprise against expenses (including, but not limited to, attorneys' fees, expert fees, bonds, prospective or retroactive insurance premiums or costs, litigation, appeal and court costs, and out-of-pocket expenses of such person during any investigation, hearing, trial or appeal of any such action or suit, including any interest payable thereon), actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he

acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

SECTION 3. To the extent that a present or past director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit, arbitration or proceeding referred to in Sections 1 and 2, or in defense of claim, issue or matter therein, he shall be indemnified against expenses (including, but not limited to, attorneys' fees, expert fees, bonds, prospective or retroactive insurance premiums or costs, litigation, appeal, and court costs, and out-of-pocket expenses of such person during any investigation, hearing, arbitration, trial or appeal of any such action, suit or proceeding) actually and reasonably incurred by him in connection therewith, including any interest payable thereon.

SECTION 4. The board of directors shall cause the corporation to advance to any person covered by Sections 1 or 2 the expenses (including, but not limited to, attorneys' fees, expert fees, bonds, prospective or retroactive insurance premiums or costs, litigation, appeal, and court costs and out-of-pocket expenses, of such person during any investigation, hearing, arbitration, trial or appeal of any such action, suit, arbitration or proceeding) incurred by that person in defending a threatened, pending, or completed civil, criminal, administrative, or investigative action suit, arbitration, or proceeding, including any interest payable thereon, in advance of the final disposition of such action, suit or proceeding.

SECTION 5. Any advance by the board of directors under Section 4 above to any employee or agent who is not a present or past director or officer of the corporation shall be conditional upon evidence of compliance with the terms and conditions, if any, deemed appropriate and specified by the board of directors for such advance if such employee or agent is determined ultimately to be not legally entitled to indemnification from the corporation.

SECTION 6. Any advance authorized by the board of directors under Section 4 above to a present or past officer or director shall be conditional upon prior receipt by the corporation of a written undertaking from that officer or director to repay such advance if he is determined ultimately to be not legally entitled to indemnification from the corporation. Such undertaking shall be in the form of a simple agreement by the officer or director to repay advances made to him in the event that it is determined ultimately that he is not legally entitled to indemnification by the corporation. Such undertaking shall specifically state that no bond, collateral or other security shall be required by the officer or director to insure its performance and that no interest on any amount advanced shall be required to be paid to the corporation if the officer or director is determined ultimately to be not legally entitled to indemnification from the corporation.

SECTION 7. The board of directors, in its sole discretion, may establish and may fund in advance and from time to time, in whole or in part, a separate provision or provisions, which may be in the form of a trust fund, periodic or advance retainers to counsel, or otherwise as the board of directors may determine in each instance, to be used as payment and/or advances of indemnification obligations under this Article VII to officers, directors, employees and agents of the corporation; provided, however, that any amount which is contributed to such fund shall not in any way be construed to be a limitation on the amount of indemnification and/or advances of the corporation.

SECTION 8. The board of directors shall cause the corporation to pay to any director, officer, employee or agent all expenses (including, but not limited to, attorneys' fees, expert fees, bonds, prospective or retroactive insurance premiums or costs, litigation, appeal, and court costs, and out-of-pocket expenses of such person during any investigation, hearing, arbitration, trial or appeal of any such action, suit, arbitration or proceeding, including any interest payable thereon), which may be incurred by such director, officer, employee or agent in enforcing his rights to indemnification (as set forth herein in Sections 1, 2 and 3) and/or advances (as set forth herein in Section 4) whether or not such director, officer, employee or agent is successful in enforcing such rights and whether or not suit or other proceedings are commenced.

SECTION 9. Any amendment to this Article VII shall only apply prospectively and shall in no way affect the corporation's obligations to indemnify and make advances to officers, directors, employees and agents as set forth in this Article VII for actions or events which occurred before any such amendment, and provided that any amendment to this Article VII shall require affirmative vote of four-fifths of the entire board of directors.

SECTION 10. Any indemnification granted under the provisions of Sections 1, 2, 3 and 8 above shall be subject to the provisions of subsections (d), (e), (f) and (g) of Section 145 of the General Corporation Law of the State of Delaware.

ARTICLE VIII.

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. CONTRACTS. The board of directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances.

SECTION 2. LOANS. No loan shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name, unless authorized by resolution of the board of directors. Such authority may be general or confined to specific instances.

SECTION 3. CHECKS, DRAFTS, ETC. All checks, drafts or other order or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents and in such manner that shall from time to time be determined by resolution of the board of directors.

SECTION 4. DEPOSITS. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in the bank or banks or other depositories that the board of directors may elect.

ARTICLE IX.

VOTING OF STOCK OF OTHER CORPORATIONS

Unless otherwise ordered by the board of directors, the chairman of the board shall have full power and authority on behalf of the corporation to act and vote at any meeting of stockholders of any corporation in which the corporation may hold stock, and at any such meeting, shall possess, and may exercise, any and all of the rights and powers incident to the ownership of the stock, which, as the owner thereof, the corporation might have possessed and exercised if present. The board of directors by resolution from time to time, may confer like powers upon any other person or persons.

ARTICLE X.

NOTICES

SECTION 1. FORM OF NOTICE. Whenever under the provisions of the statutes, the Certificate of Incorporation, or these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but the notice may be given in writing by mail, which shall mean depositing same in a United States Postal Service post office or letter box, in a postage paid, sealed envelope, addressed to the stockholder or director at the address that appears on the books of the corporation or, in default of other address, to such director or stockholder at the United States Postal Service general post office in the City of Wilmington, Delaware, and the notice shall be deemed to be given at the time when the same shall be thus mailed or by any other means expressly provided for in these bylaws.

SECTION 2. WAIVER OF NOTICE. Whenever any notice is required to be given under the provision of the statutes, the Certificate of Incorporation or these bylaws, a waiver thereof in writing signed by the person or persons entitled to the notice whether before or after the time stated therein shall be deemed equivalent thereto.

ARTICLE XI.

STOCK CERTIFICATES

SECTION 1. CERTIFICATES FOR SHARES. The certificates for shares of the capital stock of the corporation shall be in the form, not inconsistent with the Certificate of Incorporation, that shall be approved by the board of directors. The certificate shall be signed by the chairman of the board, president or a vice president, and either the treasurer or an assistant treasurer, or the secretary or an

assistant secretary, but where the certificate is signed by a transfer agent or an assistant transfer agent and a registrar, the signatures of the chairman of the board, president, vice president, treasurer, assistant treasurer, secretary or assistant secretary may be facsimiles. All certificates shall be consecutively numbered, and the name of the person owning the shares represented thereby, with the number of shares and the date of issue shall be entered in the corporation's books. No certificate shall be valid unless it is signed by the chairman of the board, president, or a vice president, and either the treasurer or an assistant treasurer, or the secretary or an assistant secretary, but where the certificate is signed by a transfer agent or an assistant transfer agent and a registrar, the signatures of the chairman of the board, president, vice president, treasurer, assistant treasurer, secretary or assistant secretary may be facsimiles. All certificates surrendered to the corporation shall be canceled, and no new certificates shall be issued until the former certificate for the same number of shares of the same class shall have been surrendered and canceled.

SECTION 2. TRANSFER OF SHARES. Shares of the capital stock of the corporation shall be transferred only on the books of the corporation by the holder thereof in person or by his attorney upon surrender and cancellation of certificates for the same number of shares.

SECTION 3. REGULATIONS. The board of directors shall have authority to make any rules and regulations that they may deem expedient concerning the issue, transfer and registration of certificates for shares of the capital stock of the corporation. The board of directors may appoint one or more transfer agents or assistant transfer agents and one or more registrars of transfers and may require all certificates to bear the signature of the transfer agent or assistant transfer agent and a registrar of transfers. The board of directors may at any time terminate the appointment of any transfer agent or any assistant transfer agent or any registrar of transfers by the vote of a majority of the board of directors.

SECTION 4. FIXING DATE FOR DETERMINATION OF STOCKHOLDERS' RIGHTS. The board of directors may close the stock transfer books of the corporation for a period not exceeding 50 days preceding the date of any meeting of stockholders, or the date for payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or for a period not exceeding 50 days in connection with obtaining the consent of stockholders for any purpose. In lieu of closing the stock transfer books as aforesaid, the board of directors may fix a date not exceeding 50 days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any meeting and any adjournment thereof, or entitled to receive payment of any dividend, or to any allotment of rights, or to exercise the rights in respect of any change, conversion or exchange of capital stock, or to give such consent, and in such case the stockholders and only the stockholders that shall be stockholders of record on the date so fixed shall be entitled to the notice or to receive payment of the dividend, or to receive the allotment of rights, or to exercise the rights or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any record date fixed as aforesaid.

SECTION 5. REGISTERED STOCKHOLDERS. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in the share or shares on the part of any other person whether or not it shall have express or other notice thereof except as otherwise provided by the laws of the State of Delaware.

SECTION 6. LOST CERTIFICATES. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact with the person claiming the certificate of stock to be lost or destroyed. When authorizing the issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of the lost or destroyed certificate or certificates, or his legal representative, to advertise the same in a manner that it shall require for each share of stock having voting power registered in his name and to give the corporation a bond in the sum that it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

SECTION 7. DIVIDENDS. The board of directors may from time to time declare, and the corporation may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and the Certificate of Incorporation.

SECTION 8. RESERVE FUNDS. Before payment of any dividend there may be set aside out of any funds of the corporation available for dividends the sum or sums that the board of directors may from time to time in their absolute discretion think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for any other purpose that the directors shall think conducive to the interest of the corporation and the board of directors may modify or abolish the reserve in the manner in which it was created.

ARTICLE XII.

GENERAL PROVISIONS

SECTION 1. FISCAL YEAR. The fiscal year of the corporation shall begin on the first day of January in each year.

SECTION 2. INSPECTION OF BOOKS. The board of directors shall determine from time to time whether, and if allowed, when and under what conditions and regulations, the accounts and books of the corporation (except as may be by statute specifically open to inspection) or any of them, shall be open to the inspection of the stockholders, and a stockholder's rights in this respect are, and shall be, restricted and limited accordingly.

SECTION 3. GENDER. The use of the masculine gender in these bylaws shall be deemed to include the feminine gender.

ARTICLE XIII.

AMENDMENTS TO AND SUSPENSION OF BYLAWS

SECTION 1. AMENDMENTS. Subject to the provisions of Section 12 of Article IV, these bylaws may be altered or repealed at any regular meeting of the stockholders or at any special meeting of the stockholders at which a quorum is present or represented, provided notice of the proposed alteration or repeal be contained in the notice of the special meeting, by the affirmative vote of a majority of the stockholders entitled to vote at the meeting and present or represented thereat, or by the affirmative vote of a majority of the board of directors at any regular meeting of the board of directors or at any special meeting of the board of directors, if notice of the proposed alteration or repeal be contained in the notice of the special meeting.

SECTION 2. SUSPENSION. Any provision of these bylaws may be suspended by vote of two-thirds of the votes cast upon the motion to suspend except that the suspension of the bylaw provision might be in contravention of any provision of any statute or of the Certificate of Incorporation.

* * *

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report, dated July 22, 1999, on the Statement of Combined Revenues and Direct Operating Expenses of the Oil and Gas Properties Purchased by Apache Corporation from Shell, included in this Form 8-K/A into Apache Corporation's previously filed Registration Statements on Form S-3 (Nos. 33-53129, 333-39973, 333-44731, 333-57785 and 333-75633), 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 and 333-53961).

/s/ Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Houston, Texas
July 28, 1999