UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2015

OR

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

For the transition period from __________ to __________

Commission File Number 1-4300

APACHE CORPORATION
(exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**41-0747868** **(I.R.S. Employer Identification Number)**

One Post Oak Central, 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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of registrant's common stock outstanding as of April 30, 2015 377,094,714

PART I – FINANCIAL INFORMATION

ITEM 1 – FINANCIAL STATEMENTS

APACHE CORPORATION AND SUBSIDIARIES
STATEMENT OF CONSOLIDATED OPERATIONS
(Unaudited)

	For The Quarter Ended March 31, 2015	2014
	(In millions, except per share data)	
REVENUES AND OTHER:		
Oil and gas production revenues:		
Oil revenues	$ 1,362	$ 2,815
Gas revenues	387	646
Natural gas liquids revenues	57	186
	1,806	3,647
Other	12	28
	1,818	3,675
OPERATING EXPENSES:		
Depreciation, depletion, and amortization:		
Oil and gas property and equipment		
Recurring	1,089	1,109
Additional	7,220	—
Other assets	98	97
Asset retirement obligation accretion	44	44
Lease operating expenses	538	597
Gathering and transportation	56	70
Taxes other than income	84	181
General and administrative	79	103
Acquisition, divestiture, and separation costs	54	18
Financing costs, net	46	27
	9,308	2,246
NET INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(7,490)	1,429
Current income tax provision	44	416
Deferred income tax provision (benefit)	(2,898)	162
NET INCOME (LOSS) FROM CONTINUING OPERATIONS INCLUDING NONCONTROLLING INTEREST	(4,636)	851
Net income (loss) from discontinued operations, net of tax	—	(517)
NET INCOME (LOSS) INCLUDING NONCONTROLLING INTEREST	(4,636)	334
Net income attributable to noncontrolling interest	15	98
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCK	$ (4,651)	$ 236
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHAREHOLDERS:		
Net income (loss) from continuing operations attributable to common shareholders	$ (4,651)	$ 753
Net income (loss) from discontinued operations	—	(517)
Net income (loss) attributable to common shareholders	$ (4,651)	$ 236
BASIC NET INCOME (LOSS) PER COMMON SHARE:		
Basic net income (loss) from continuing operations per share	$ (12.34)	$ 1.92
Basic net income (loss) from discontinued operations per share	—	(1.32)
Basic net income (loss) per share	$ (12.34)	$ 0.60
DILUTED NET INCOME (LOSS) PER COMMON SHARE:		
Diluted net income (loss) from continuing operations per share	$ (12.34)	$ 1.90
Diluted net income (loss) from discontinued operations per share	—	(1.30)
Diluted net income (loss) per share	$ (12.34)	$ 0.60
WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING:		
Basic	377	394
Diluted	377	396
DIVIDENDS DECLARED PER COMMON SHARE	$ 0.25	$ 0.25

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

APACHE CORPORATION AND SUBSIDIARIES
STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME
(Unaudited)

	For The Quarter Ended March 31, 2015	2014
	(In millions)	
NET INCOME (LOSS) INCLUDING NONCONTROLLING INTEREST	$ (4,636)	$ 334
OTHER COMPREHENSIVE INCOME (LOSS):		
Commodity cash flow hedge activity, net of tax:		
Change in fair value of derivative instruments	—	(1)
	—	(1)
COMPREHENSIVE INCOME (LOSS) INCLUDING NONCONTROLLING INTEREST	(4,636)	333
Comprehensive income attributable to noncontrolling interest	15	98
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCK	$ (4,651)	$ 235

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

APACHE CORPORATION AND SUBSIDIARIES
STATEMENT OF CONSOLIDATED CASH FLOWS
(Unaudited)

	For The Quarter Ended March 31, 2015	2014
	(In millions)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss) including noncontrolling interest	$ (4,636)	$ 334
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Loss from discontinued operations	—	517
Depreciation, depletion, and amortization	8,407	1,206
Asset retirement obligation accretion	44	44
Provision for (benefit from) deferred income taxes	(2,898)	162
Other	(17)	(41)
Changes in operating assets and liabilities:		
Receivables	257	389
Inventories	48	85
Drilling advances	(85)	37
Deferred charges and other	(102)	(74)
Accounts payable	(199)	(170)
Accrued expenses	(199)	(286)
Deferred credits and noncurrent liabilities	30	8
NET CASH PROVIDED BY CONTINUING OPERATING ACTIVITIES	650	2,211
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	—	82
NET CASH PROVIDED BY OPERATING ACTIVITIES	650	2,293
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to oil and gas property	(1,768)	(2,318)
Leasehold and property acquisitions	(92)	(44)
Additions to gas gathering, transmission, and processing facilities	(223)	(344)
Other, net	(35)	9
NET CASH USED IN CONTINUING INVESTING ACTIVITIES	(2,118)	(2,697)
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	—	748
NET CASH USED IN INVESTING ACTIVITIES	(2,118)	(1,949)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Commercial paper and bank credit facilities, net	1,028	(2)
Distributions to noncontrolling interest	(21)	—
Dividends paid	(94)	(79)
Treasury stock activity, net	—	(484)
Other	15	—
NET CASH PROVIDED BY (USED IN) CONTINUING FINANCING ACTIVITIES	928	(565)
NET CASH USED IN DISCONTINUED OPERATIONS	—	(42)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	928	(607)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(540)	(263)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	769	1,906
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 229	$ 1,643
SUPPLEMENTARY CASH FLOW DATA:		
Interest paid, net of capitalized interest	$ 89	$ 70
Income taxes paid, net of refunds	142	491

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

APACHE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Unaudited)

	March 31, 2015	December 31, 2014
	(In millions)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 229	$ 769
Receivables, net of allowance	1,767	2,024
Inventories	666	708
Drilling advances	468	388
Assets held for sale	1,804	1,628
Deferred tax asset	769	769
Prepaid assets and other	203	129
	5,906	6,415
PROPERTY AND EQUIPMENT:		
Oil and gas, on the basis of full-cost accounting:		
Proved properties	91,634	89,852
Unproved properties and properties under development, not being amortized	6,753	7,014
Gathering, transmission and processing facilities	5,472	5,440
Other	1,161	1,152
	105,020	103,458
Less: Accumulated depreciation, depletion and amortization	(63,790)	(55,382)
	41,230	48,076
OTHER ASSETS:		
Goodwill	87	87
Deferred charges and other	1,427	1,374
	$ 48,650	$ 55,952
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 1,010	$ 1,210
Current debt	2,598	—
Current asset retirement obligation	47	37
Other current liabilities	1,838	2,417
	5,493	3,664
LONG-TERM DEBT	9,675	11,245
DEFERRED CREDITS AND OTHER NONCURRENT LIABILITIES:		
Income taxes	6,611	9,499
Asset retirement obligation	3,094	3,048
Other	372	359
	10,077	12,906
COMMITMENTS AND CONTINGENCIES (Note 7)		
EQUITY:		
Common stock, $0.625 par, 860,000,000 shares authorized, 410,110,362 and 409,706,347 shares issued, respectively	256	256
Paid-in capital	12,456	12,438
Retained earnings	11,504	16,249
Treasury stock, at cost, 33,192,567 and 33,201,455 shares, respectively	(2,889)	(2,890)
Accumulated other comprehensive loss	(116)	(116)
APACHE SHAREHOLDERS' EQUITY	21,211	25,937
Noncontrolling interest	2,194	2,200
TOTAL EQUITY	23,405	28,137
	$ 48,650	$ 55,952

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

APACHE CORPORATION AND SUBSIDIARIES
STATEMENT OF CONSOLIDATED CHANGES IN EQUITY
(Unaudited)

	Common Stock	Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	APACHE SHAREHOLDERS' EQUITY	Non Controlling Interest	TOTAL EQUITY
BALANCE AT DECEMBER 31, 2013	$ 255	$12,251	$22,032	$(1,027)	$ (115)	$ 33,396	$ 1,997	$35,393
Net income	—	—	236	—	—	236	98	334
Commodity hedges, net of tax	—	—	—	—	(1)	(1)	—	(1)
Common dividends ($0.25 per share)	—	—	(98)	—	—	(98)	—	(98)
Common stock activity, net	—	33	—	—	—	33	—	33
Treasury stock activity, net	—	—	—	(484)	—	(484)	—	(484)
BALANCE AT MARCH 31, 2014	$ 255	$12,284	$22,170	$(1,511)	$ (116)	$ 33,082	$ 2,095	$35,177
BALANCE AT DECEMBER 31, 2014	$ 256	$12,438	$16,249	$(2,890)	$ (116)	$ 25,937	$ 2,200	$28,137
Net income (loss)	—	—	(4,651)	—	—	(4,651)	15	(4,636)
Distributions to noncontrolling interest	—	—	—	—	—	—	(21)	(21)
Common dividends ($0.25 per share)	—	—	(94)	—	—	(94)	—	(94)
Common stock activity, net	—	18	—	—	—	18	—	18
Treasury stock activity, net	—	—	—	1	—	1	—	1
BALANCE AT MARCH 31, 2015	$ 256	$12,456	$11,504	$(2,889)	$ (116)	$ 21,211	$ 2,194	$23,405

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

These financial statements have been prepared by Apache Corporation (Apache or the Company) without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). They reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results for the interim periods, on a basis consistent with the annual audited financial statements. All such adjustments are of a normal recurring nature. Certain information, accounting policies, and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) have been omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. This Quarterly Report on Form 10-Q should be read along with Apache's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, which contains a summary of the Company's significant accounting policies and other disclosures.

The Company's financial statements for prior periods include reclassifications that were made to conform to the current-period presentation. In March 2014, Apache completed the sale of all of its operations in Argentina. Results of operations and cash flows for Argentina operations are reflected as discontinued operations in the Company's financial statements for all periods presented. For more information regarding this divestiture, please refer to Note 2–Acquisitions and Divestitures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As of March 31, 2015, Apache's significant accounting policies are consistent with those discussed in Note 1—Summary of Significant Accounting Policies to the consolidated financial statements contained in Apache's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates with regard to these financial statements include the fair value determination of acquired assets and liabilities and assets held for sale, the estimate of proved oil and gas reserves and related present value estimates of future net cash flows therefrom, assessing asset retirement obligations, and the estimate of income taxes. Actual results could differ from those estimates.

Oil and Gas Property

The Company follows the full-cost method of accounting for its oil and gas property. Under this method of accounting, all costs incurred for both successful and unsuccessful exploration and development activities, including salaries, benefits and other internal costs directly identified with these activities, and oil and gas property acquisitions are capitalized. The net book value of oil and gas properties, less related deferred income taxes, may not exceed a calculated "ceiling." The ceiling limitation is the estimated after-tax future net cash flows from proved oil and gas reserves, discounted at 10 percent per annum and adjusted for designated cash flow hedges. Estimated future net cash flows are calculated using end-of-period costs and an unweighted arithmetic average of commodity prices in effect on the first day of each of the previous 12 months, held flat for the life of the production, except where prices are defined by contractual arrangements. For a discussion of the calculation of estimated future net cash flows, please refer to Note 14—Supplemental Oil and Gas Disclosures to the consolidated financial statements contained in Apache's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Any excess of the net book value of proved oil and gas properties, less related deferred income taxes, over the ceiling is charged to expense and reflected as "Additional depreciation, depletion and amortization" (DD&A) in the accompanying statement of consolidated operations. Such limitations are imposed separately on a country-by-country basis and are tested quarterly. In the first quarter of 2015, the Company recorded $5.2 billion ($3.4 billion net of tax), $1.4 billion ($1.0 billion net of tax), and $632 million ($316 million net of tax) in non-cash write-downs of the carrying value of the Company's U.S., Canada, and North Sea proved oil and gas properties, respectively.

New Pronouncements Issued But Not Yet Adopted

On April 7, 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-03, which simplifies the presentation of debt issuance costs. The new standard requires debt issuance costs to be presented as a direct deduction from the carrying value of the associated debt liability, whereas they are currently being presented as a component of “deferred charges and other” on the balance sheet. The new standard creates consistency in the way debt issuance costs and debt discounts are presented on the balance sheet and better aligns U.S. GAAP with International Financial Reporting Standards (IFRS). ASU 2015-03 is effective for annual and interim reporting periods beginning after December 15, 2015. The Company will apply the change retrospectively and does not expect the adoption of this amendment to have a material impact on its consolidated financial statements.

In May 2014, the FASB and the International Accounting Standards Board (IASB) issued a joint revenue recognition standard, ASU 2014-09. The new standard removes inconsistencies in existing standards, changes the way companies recognize revenue from contracts with customers, and increases disclosure requirements. The guidance requires companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. ASU 2014-09 is effective for annual and interim periods beginning after December 15, 2016, pending a one-year deferral currently under consideration. The standard is required to be adopted using either the full retrospective approach, with all prior periods presented adjusted, or the modified retrospective approach, with a cumulative adjustment to retained earnings on the opening balance sheet. The Company is currently evaluating the level of effort needed to implement the standard, the impact of adopting this standard on its consolidated financial statements, and whether to use the full retrospective approach or the modified retrospective approach.

2. ACQUISITIONS AND DIVESTITURES

2015 Activity

LNG Projects Divestiture

In April 2015, Apache completed the previously disclosed sale of its interest in two LNG projects, Wheatstone LNG in Australia and Kitimat LNG in Canada, along with the associated upstream oil and gas assets, to Woodside Petroleum Limited (Woodside). Total proceeds for the sale were $3.7 billion, which includes reimbursement of Apache’s net expenditure in the Wheatstone and Kitimat LNG projects, changes in working capital and other contractual adjustments between the effective date, July 1, 2014, and closing.

As a result of the sale of these projects, the LNG facilities on Apache’s consolidated balance sheet and Apache’s investment in Pacific Trail Pipelines Limited Partnership qualify as held for sale as of March 31, 2015. A summary of the associated assets and liabilities classified as held for sale on our consolidated balance sheet as of March 31, 2015, and December 31, 2014, is detailed below:

	March 31, 2015			December 31, 2014		
	Canada	Australia	Total	Canada	Australia	Total
	(In millions)					
ASSETS						
Current assets	$ 15	$ —	$ 15	$ 30	$ —	$ 30
GTP assets	229	1,459	1,688	200	1,297	1,497
Other long-term assets	101	—	101	101	—	101
Assets held for sale(1)	$ 345	$ 1,459	$1,804	$ 331	$ 1,297	$1,628
LIABILITIES						
Current liabilities	$ 1	$ —	$ 1	$ 12	$ —	$ 12
Other long-term liabilities	6	—	6	7	—	7
Liabilities held for sale(1)	$ 7	$ —	$ 7	$ 19	$ —	$ 19

(1) Assets held for sale are classified as current assets in the Consolidated Balance Sheet. Liabilities held for sale are recorded in “Other current liabilities” in the Consolidated Balance Sheet.

In connection with classifying these assets to held for sale, a separate impairment analysis was performed for each long-lived asset within the disposal group. The analysis was based on the estimated fair value of the assets in the disposal group, which was equivalent to the allocated purchase price associated with the transaction. The transaction's purchase price was allocated based on the fair value of each asset in the disposal group. Each asset's fair value was determined using a combination of the income approach, specifically discounted cash flows, and the cost approach. The income approach considered management views on current operating measures as well as assumptions pertaining to market forces in the oil and gas industry, such as future production, future commodity prices, and costs. These assumptions were applied to develop future cash flow projections that were then discounted to estimate fair value, using a discount rate believed to be consistent with those used by principal market participants. The cost approach reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost) and is typically used to measure the fair value of tangible assets that are used in combination with other assets. Apache has classified these non-recurring fair value measurements as Level 3 in the fair value hierarchy.

In the fourth quarter of 2014, Apache recognized an impairment loss on held for sale assets totaling $1.0 billion ($753 million net of tax). As the sale and purchase agreements provide for Apache's net expenditures incurred in connection with these projects subsequent to the effective date to be reimbursed by Woodside, the Company has recorded no further loss during the first quarter of 2015.

The upstream oil and natural gas properties associated with this sale are not presented as held for sale pursuant to the rules governing full-cost accounting for oil and gas properties. Approximately $1.4 billion and $500 million of the sale proceeds have been allocated to the Australia and Canada upstream assets, respectively. Proceeds from the disposition of oil and gas properties are accounted for as a reduction to capitalized costs unless a significant portion (greater than 25 percent) of the Company's reserve quantities in a particular country are sold, in which case a gain or loss is recognized in income. Upon closing the transaction in the second quarter of 2015, a loss of approximately $900 million ($600 million net of tax) will be recognized for the sale of the Australian upstream assets that represented approximately 50 percent of the region's total reserves. Reserves divested in Canada were not a significant portion of the region total.

Australia Divestiture

On April 8, 2015, Apache Corporation announced an agreement to sell its Australian subsidiary Apache Energy Limited (AEL) to a consortium of private equity funds managed by Macquarie Capital Group Limited and Brookfield Asset Management Inc. for cash consideration of $2.1 billion. The Company estimates a loss of approximately $1 billion upon closing the transaction. The ultimate amount of loss will be determined by date of completion, impact of customary post-closing adjustments and finalization of various estimates. The transaction is expected to close mid-year 2015 and is subject to necessary government and regulatory approvals. The effective date of the sale is October 1, 2014.

Upon closing, Apache will have exited essentially all of the Company's Australian operations. The associated results of operations for Australia and the loss on disposals will be classified as discontinued operations for all periods presented in subsequent SEC filings.

Leasehold Acquisitions

During the first quarter of 2015, Apache completed $92 million of leasehold acquisitions primarily in our North America onshore regions.

2014 Activity

Anadarko Basin and Southern Louisiana Divestitures

In December 2014, Apache completed the sale of certain Anadarko basin and non-core southern Louisiana oil and gas assets for approximately $1.3 billion in two separate transactions. In the Anadarko basin, Apache sold approximately 115,000 net acres in Wheeler County, Texas, and western Oklahoma. In southern Louisiana, Apache sold its working interest in approximately 90,000 net acres. The effective date of both of these transactions was October 1, 2014.

Gulf of Mexico Divestiture

On June 30, 2014, Apache completed the sale of non-operated interests in the Lucius and Heidelberg development projects and 11 primary-term deepwater exploration blocks in the Gulf of Mexico for $1.4 billion. The effective date of the transaction was May 1, 2014.

Canada Divestiture

On April 30, 2014, Apache completed the sale of producing oil and gas assets in the Deep Basin area of western Alberta and British Columbia, Canada, for $374 million. Apache sold primarily dry-gas producing properties comprising 328,400 net acres in the Ojay, Noel, and Wapiti areas. In the Wapiti area, Apache retained 100 percent of its working interest in horizons below the Cretaceous, including rights to the liquids-rich Montney and other deeper horizons. The effective date of the transaction was January 1, 2014.

Argentina Divestiture

On March 12, 2014, Apache's subsidiaries completed the sale of all of the Company's operations in Argentina to YPF Sociedad Anónima for cash consideration of $800 million plus the assumption of $52 million of bank debt as of June 30, 2013. The results of operations during 2014 related to Argentina have been classified as discontinued operations in this Quarterly Report on Form 10-Q. Sales and other operating revenues and the loss from discontinued operations related to the Argentina disposition were as follows:

	For the Quarter Ended March 31, 2015	For the Quarter Ended March 31, 2014
	(In millions)	
Revenues and other from discontinued operations	$ —	$ 87
Loss from Argentina divestiture	—	(539)
Loss from operations in Argentina	—	(1)
Income tax benefit	—	23
Loss from discontinued operations, net of tax	$ —	$ (517)

Leasehold Acquisitions

During the first quarter of 2014, Apache completed $44 million of leasehold acquisitions primarily in our North America onshore regions.

3. OTHER CURRENT LIABILITIES

The following table provides detail of our other current liabilities:

	March 31, 2015	December 31, 2014
	(In millions)	
Accrued operating expenses	$ 137	$ 163
Accrued exploration and development	1,194	1,606
Accrued compensation and benefits	127	204
Accrued interest	118	160
Accrued income taxes	27	54
Other	235	230
Total Other current liabilities	$ 1,838	$ 2,417

4. ASSET RETIREMENT OBLIGATION

The following table describes changes to the Company's asset retirement obligation (ARO) liability for the three-month period ended March 31, 2015:

	(In millions)
Asset retirement obligation at December 31, 2014	$ 3,085
Liabilities incurred	41
Liabilities settled	(58)
Accretion expense	44
Revisions in estimated liabilities	29
Asset retirement obligation at March 31, 2015	3,141
Less current portion	(47)
Asset retirement obligation, long-term	$ 3,094

5. DEBT AND FINANCING COSTS

The following table presents the carrying amounts and estimated fair values of the Company's outstanding debt:

	March 31, 2015 Carrying Amount	March 31, 2015 Fair Value	December 31, 2014 Carrying Amount	December 31, 2014 Fair Value
	(In millions)			
Uncommitted bank lines	$ 21	$ 21	$ —	$ —
Commercial paper and committed bank facilities	2,577	2,577	1,570	1,570
Notes and debentures	9,675	10,658	9,675	9,944
Total Debt	$12,273	$13,256	$11,245	$11,514

The Company's debt is recorded at the carrying amount, net of unamortized discount, on its consolidated balance sheet. The carrying amount of the Company's commercial paper, committed bank facilities and uncommitted bank lines, and overdraft lines approximates fair value because the interest rates are variable and reflective of market rates. Apache uses a market approach to determine the fair value of its notes and debentures using estimates provided by an independent investment financial data services firm (a Level 2 fair value measurement).

As of March 31, 2015, the Company had unsecured committed revolving credit facilities totaling $5.3 billion, of which $2.0 billion matures in December 2015, $1.0 billion matures in August 2016, and $2.3 billion matures in June 2018. Apache has $2.0 billion, $1.7 billion, and $1.0 billion U.S. facilities, a $300 million Australian facility, and a $300 million Canadian facility. As of March 31, 2015, aggregate available borrowing capacity under the Company's credit facilities was $2.7 billion. The Company's committed bank facilities are used to support Apache's commercial paper program.

The Company has a $5.0 billion commercial paper program, which allows Apache to borrow funds for up to 270 days at competitive interest rates. As of March 31, 2015, the Company had $2.6 billion in current debt outstanding under commercial paper, committed bank facilities, and uncommitted bank lines. This amount was classified as current on Apache's consolidated balance sheet based on an intent to repay the obligations with the proceeds from the LNG project divestitures. All current debt was repaid in April 2015 upon closing of those divestitures.

Financing Costs, Net

The following table presents the components of Apache's financing costs, net:

	For the Quarter Ended March 31, 2015	For the Quarter Ended March 31, 2014
	(In millions)	
Interest expense	$ 128	$ 124
Amortization of deferred loan costs	2	2
Capitalized interest	(80)	(95)
Interest income	(4)	(4)
Financing costs, net	$ 46	$ 27

6. INCOME TAXES

The Company estimates its annual effective income tax rate in recording its quarterly provision for income taxes in the various jurisdictions in which the Company operates. Statutory tax rate changes and other significant or unusual items are recognized as discrete items in the quarter in which they occur. Accordingly, in the first quarter of 2015, the Company recorded the income tax effect of the $7.2 billion non-cash write-downs of its U.S., Canada, and North Sea proved oil and gas properties, respectively, offset by an increase in the Canadian valuation allowance, as discrete items.

On March 26, 2015, U.K. Finance Bill 2015 received Royal Assent. Under the enacted legislation, the corporate income tax rate on North Sea oil and gas profits was reduced from 62 percent to 50 percent effective January 1, 2015. As a result of the enacted legislation in the first quarter of 2015, the Company recorded a deferred tax benefit of $619 million related to the remeasurement of the Company's December 31, 2014 U.K. deferred income tax liability.

Apache and its subsidiaries are subject to U.S. federal income tax as well as income or capital taxes in various state and foreign jurisdictions. The Company's tax reserves are related to tax years that may be subject to examination by the relevant taxing authority. The Company is under audit in various states and in most of the Company's foreign jurisdictions as part of its normal course of business.

7. COMMITMENTS AND CONTINGENCIES

Legal Matters

Apache is party to various legal actions arising in the ordinary course of business, including litigation and governmental and regulatory controls. As of March 31, 2015, the Company has an accrued liability of approximately $23 million for all legal contingencies that are deemed to be probable of occurring and can be reasonably estimated. Apache's estimates are based on information known about the matters and its experience in contesting, litigating, and settling similar matters. Although actual amounts could differ from management's estimate, none of the actions are believed by management to involve future amounts that would be material to Apache's financial position, results of operations, or liquidity after consideration of recorded accruals. For material matters that Apache believes an unfavorable outcome is reasonably possible, the Company has disclosed the nature of the matter and a range of potential exposure, unless an estimate cannot be made at this time. It is management's opinion that the loss for any other litigation matters and claims that are reasonably possible to occur will not have a material adverse effect on the Company's financial position, results of operations, or liquidity.

For additional information on each of the Legal Matters described below, please see Note 8—Commitments and Contingencies to the consolidated financial statements contained in Apache's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Argentine Environmental Claims and Argentina Tariff

No material change in the status of the YPF Sociedad Anonima and Pioneer Natural Resources Company indemnities matters has occurred since the filing of Apache's Annual Report on Form 10-K for its 2014 fiscal year.

Louisiana Restoration

As more fully described in Apache's Annual Report on Form 10-K for its 2014 fiscal year, numerous surface owners have filed claims or sent demand letters to various oil and gas companies, including Apache, claiming that, under either expressed or implied lease terms or Louisiana law, they are liable for damage measured by the cost of restoration of leased premises to their original condition as well as damages for contamination and cleanup.

In a case captioned *State of Louisiana and the Cameron Parish School Board v. Apache Corporation et al.*, Docket No. 10-18672, in the 38th Judicial District Court, Parish of Cameron, State of Louisiana, plaintiffs allege that defendants' oil and gas exploration and production activities contaminated plaintiffs' property, and claim an unspecified amount of damages. Apache, a defendant in the case, acquired its interest in the oil and gas operations on plaintiffs' property from the former operator, defendant Davis Oil Company, and subsequently sold the interest to defendant Wagner Oil Company (Wagner). Apache claims indemnity from Wagner. The case is set for trial in November 2015. While an adverse judgment against Apache might be possible, Apache intends to vigorously oppose the claims.

No other material change in the status of these matters has occurred since the filing of Apache's Annual Report on Form 10-K for its 2014 fiscal year.

Australia Gas Pipeline Force Majeure

In 2008, Company subsidiaries reported a pipeline explosion that interrupted deliveries of natural gas in Australia to customers under various long-term contracts. The civil lawsuits concerning the pipeline explosion, all of which were filed in the Supreme Court of Western Australia, have been resolved fully and dismissed on confidential terms, including for an exchange of consideration that is not material to Apache. The lawsuits are described in Apache's Annual Report on Form 10-K dated February 27, 2015 for its 2014 fiscal year. On April 10, 2015, the court dismissed the lawsuits filed by plaintiffs Alcoa (Civ. 1481 of 2011), Barrick (Civ. 2656 of 2013), EDL LNG (Civ. 1751 of 2014), and Yara (Civ. 1742 of 2014). On April 9, 2015, plaintiffs Harvey (Civ. 1749 of 2014), Iluka (Civ. 1748 of 2014), Newmont (Civ. 1727 of 2014), and Wesfarmers (Civ. 1740 of 2014) discontinued their lawsuits, which were never served on the Apache defendants. All matters relating to the Australia gas pipeline force majeure are concluded.

Apollo Exploration Lawsuit

In a second amended petition filed on February 27, 2015 in a case captioned *Apollo Exploration, LLC, Cogent Exploration, Ltd. Co. & SellmoCo, LLC v. Apache Corporation*, Cause No. CV50538 in the 385th Judicial District Court, Midland County, Texas, plaintiffs allege damages in excess of $1.1 billion relating to certain purchase and sale agreements, mineral leases, and areas of mutual interest agreements concerning properties located in Hartley, Moore, Potter, and Oldham Counties, Texas. Apache believes the plaintiffs' claims lack merit and will vigorously oppose them.

Escheat Audits

There has been no material change with respect to the review of the books and records of the Company and its subsidiaries and related entities by the State of Delaware, Department of Finance, Division of Revenue (Unclaimed Property), to determine compliance with the Delaware Escheat Laws, since the filing of Apache's Annual Report on Form 10-K for its 2014 fiscal year.

Burrup-Related Gas Supply Lawsuits

In the lawsuit captioned *Pankaj Oswal v. Apache Corporation*, No. WAD 389/2013, in the Federal Court of Australia, District of Western Australia, General Division, on the eve of a trial that was to commence on February 9, 2015, plaintiff decided to discontinue his claim. On March 18, 2015, the court entered an order dismissing the case. The lawsuit is concluded in the Company's favor.

In the cases captioned *Radhika Oswal v. Australia and New Zealand Banking Group Limited* (ANZ) *et al.*, No. SCI 2011 4653 and *Pankaj Oswal v. Australia and New Zealand Banking Group Limited* (ANZ) *et al.*, No. SCI 2012 01995, in the Supreme Court of Victoria, the cross-vesting of certain related proceedings (in which neither the Company nor its subsidiaries are parties) has caused the court to consider new scheduling orders. The Company and its subsidiaries believe the plaintiffs' claims lack merit and will vigorously oppose them. No other material change in the status of this matter has occurred since the filing of Apache's Annual Report on Form 10-K for its 2014 fiscal year.

Environmental Matters

As of March 31, 2015, the Company had an undiscounted reserve for environmental remediation of approximately $63 million. The Company is not aware of any environmental claims existing as of March 31, 2015 that have not been provided for or would otherwise have a material impact on its financial position, results of operations, or liquidity. There can be no assurance, however, that current regulatory requirements will not change or past non-compliance with environmental laws will not be discovered on the Company's properties.

No other material change in the status of these matters has occurred since the filing of Apache's Annual Report on Form 10-K for its 2014 fiscal year.

8. CAPITAL STOCK

Net Income (Loss) per Common Share

A reconciliation of the components of basic and diluted net income (loss) per common share for the quarters ended March 31, 2015 and 2014 is presented in the table below.

	For the Quarter Ended March 31,					
	2015			2014		
	Income	Shares	Per Share	Income	Shares	Per Share
	(In millions, except per share amounts)					
Basic:						
Income (loss) from continuing operations	$(4,651)	377	$ (12.34)	$ 753	394	$ 1.92
Loss from discontinued operations	—	377	—	(517)	394	(1.32)
Income (loss) attributable to common stock	$(4,651)	377	$ (12.34)	$ 236	394	$ 0.60
Effect of Dilutive Securities:						
Stock options and other	$ —	—		$ —	2	
Diluted:						
Income (loss) from continuing operations	$(4,651)	377	$ (12.34)	$ 753	396	$ 1.90
Loss from discontinued operations	—	377	—	(517)	396	(1.30)
Income (loss) attributable to common stock	$(4,651)	377	$ (12.34)	$ 236	396	$ 0.60

The diluted earnings per share calculation excludes options and restricted stock units that were anti-dilutive totaling 9.1 million and 5.8 million for the quarters ending March 31, 2015 and 2014, respectively.

Common Stock Dividends

For the quarters ended March 31, 2015 and 2014, Apache paid $94 million and $79 million, respectively, in dividends on its common stock.

Stock Repurchase Program

Apache's Board of Directors has authorized the purchase of up to 40 million shares of the Company's common stock. Shares may be purchased either in the open market or through privately held negotiated transactions. The Company initiated the buyback program on June 10, 2013, and through December 31, 2014, had repurchased a total of 32.2 million shares at an average price of $88.96 per share. The Company has not purchased any additional shares during 2015, and is not obligated to acquire any specific number of shares.

9. BUSINESS SEGMENT INFORMATION

Apache is engaged in a single line of business. Both domestically and internationally, the Company explores for, develops, and produces natural gas, crude oil and natural gas liquids. At March 31, 2015, the Company had production in five countries: the United States, Canada, Egypt, Australia, and the United Kingdom (U.K.) North Sea. Apache also pursues exploration interests in other countries that may, over time, result in reportable discoveries and development opportunities. Financial information for each country is presented below:

	United States	Canada	Egypt (1)	Australia	North Sea	Other International	Total
				(In millions)			
For the Quarter Ended March 31, 2015							
Oil and Gas Production Revenues	$ 660	$ 133	$ 532	$ 168	$ 313	$ —	$ 1,806
Operating Income (Loss)(2)	$ (5,320)	$(1,430)	$ 102	$ (12)	$ (663)	$ —	$ (7,323)
Other Income (Expense):							
Other							12
General and administrative							(79)
Acquisition, divestiture, and separation costs							(54)
Financing costs, net							(46)
Net Loss From Continuing Operations Before Income Taxes							$ (7,490)
Total Assets	$21,577	$ 5,288	$ 7,247	$ 9,044	$ 5,376	$ 118	$48,650
For the Quarter Ended March 31, 2014							
Oil and Gas Production Revenues	$ 1,505	$ 318	$ 950	$ 256	$ 618	$ —	$ 3,647
Operating Income(2)	$ 663	$ 71	$ 536	$ 96	$ 183	$ —	$ 1,549
Other Income (Expense):							
Other							28
General and administrative							(103)
Acquisition, divestiture, and separation costs							(18)
Financing costs, net							(27)
Net Income From Continuing Operations Before Income Taxes							$ 1,429
Total Assets	$30,618	$ 7,102	$ 7,350	$ 8,403	$ 7,599	$ 49	$61,121

(1) Includes a noncontrolling interest in Egypt.

(2) Operating Income (Loss) consists of oil and gas production revenues less depreciation, depletion and amortization, asset retirement obligation accretion, lease operating expenses, gathering and transportation costs, and taxes other than income. The first quarter 2015 operating income (loss) of U.S., Canada, and North Sea includes $5.2 billion, $1.4 billion, and $632 million, respectively, in non-cash write-downs of each region’s carrying value of oil and gas properties.

10. SUPPLEMENTAL GUARANTOR INFORMATION

In December 1999, Apache Finance Canada issued approximately $300 million of publicly-traded notes due in 2029. The notes are fully and unconditionally guaranteed by Apache. The following condensed consolidating financial statements are provided as an alternative to filing separate financial statements.

Apache Finance Canada is 100 percent owned by Apache Corporation. As such, these condensed consolidating financial statements should be read in conjunction with Apache's consolidated financial statements and the notes thereto, of which this note is an integral part.

APACHE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
For the Quarter Ended March 31, 2015

	Apache Corporation	Apache Finance Canada	All Other Subsidiaries of Apache Corporation	Reclassifications & Eliminations	Consolidated
			(In millions)		
REVENUES AND OTHER:					
Oil and gas production revenues	$ 365	$ —	$ 1,441	$ —	$ 1,806
Equity in net income (loss) of affiliates	(1,085)	(654)	1	1,738	—
Other	(40)	14	38	—	12
	(760)	(640)	1,480	1,738	1,818
OPERATING EXPENSES:					
Depreciation, depletion and amortization	5,499	—	2,908	—	8,407
Asset retirement obligation accretion	4	—	40	—	44
Lease operating expenses	124	—	414	—	538
Gathering and transportation	9	—	47	—	56
Taxes other than income	34	—	50	—	84
General and administrative	64	—	15	—	79
Acquisition, divestiture, and separation costs	54	—	—	—	54
Financing costs, net	52	10	(16)	—	46
	5,840	10	3,458	—	9,308
NET INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(6,600)	(650)	(1,978)	1,738	(7,490)
Provision (benefit) for income taxes	(1,949)	3	(908)	—	(2,854)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS INCLUDING NONCONTROLLING INTEREST	(4,651)	(653)	(1,070)	1,738	(4,636)
Net income (loss) from discontinued operations, net of tax	—	—	—	—	—
NET INCOME (LOSS) INCLUDING NONCONTROLLING INTEREST	(4,651)	(653)	(1,070)	1,738	(4,636)
Net income attributable to noncontrolling interest	—	—	15	—	15
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCK	$ (4,651)	$ (653)	$ (1,085)	$ 1,738	$ (4,651)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCK (1)	$ (4,651)	$ (653)	$ (1,085)	$ 1,738	$ (4,651)

(1) Comprehensive income (loss) activity is recorded on the Apache Corporation entity and consists of derivative instrument reclassifications and changes in fair value as reflected on our Statement of Consolidated Comprehensive Income.

APACHE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
For the Quarter Ended March 31, 2014

	Apache Corporation	Apache Finance Canada	All Other Subsidiaries of Apache Corporation	Reclassifications & Eliminations	Consolidated
			(In millions)		
REVENUES AND OTHER:					
Oil and gas production revenues	$ 892	$ —	$ 2,755	$ —	$ 3,647
Equity in net income (loss) of affiliates	253	29	(6)	(276)	—
Other	(23)	14	38	(1)	28
	1,122	43	2,787	(277)	3,675
OPERATING EXPENSES:					
Depreciation, depletion and amortization	328	—	878	—	1,206
Asset retirement obligation accretion	7	—	37	—	44
Lease operating expenses	128	—	469	—	597
Gathering and transportation	14	—	56	—	70
Taxes other than income	79	—	102	—	181
General and administrative	91	—	13	(1)	103
Acquisition, divestiture, and separation costs	18	—	—	—	18
Financing costs, net	32	10	(15)	—	27
	697	10	1,540	(1)	2,246
NET INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	425	33	1,247	(276)	1,429
Provision for income taxes	62	10	506	—	578
NET INCOME (LOSS) FROM CONTINUING OPERATIONS INCLUDING NONCONTROLLING INTEREST	363	23	741	(276)	851
Net loss from discontinued operations, net of tax	(127)	—	(390)	—	(517)
NET INCOME (LOSS) INCLUDING NONCONTROLLING INTEREST	236	23	351	(276)	334
Net income attributable to noncontrolling interest	—	—	98	—	98
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCK	$ 236	$ 23	$ 253	$ (276)	$ 236
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCK (1)	$ 235	$ 23	$ 253	$ (276)	$ 235

(1) Comprehensive income (loss) activity is recorded on the Apache Corporation entity and consists of derivative instrument reclassifications and changes in fair value as reflected on our Statement of Consolidated Comprehensive Income.

APACHE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Quarter Ended March 31, 2015

	Apache Corporation	Apache Finance Canada	All Other Subsidiaries of Apache Corporation	Reclassifications & Eliminations	Consolidated
			(In millions)		
CASH PROVIDED BY (USED IN) CONTINUING OPERATING ACTIVITIES	$ (396)	$ (3)	$ 1,049	$ —	$ 650
CASH PROVIDED BY DISCONTINUED OPERATIONS	—	—	—	—	—
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(396)	(3)	1,049	—	650
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to oil and gas property	(771)	—	(997)	—	(1,768)
Leasehold and property acquisition	(92)	—	—	—	(92)
Additions to gas gathering, transmission and processing facilities	(22)	—	(201)	—	(223)
Investment in subsidiaries, net	105	—	—	(105)	—
Other	(18)	—	(17)	—	(35)
NET CASH PROVIDED BY (USED IN) CONTINUING INVESTING ACTIVITIES	(798)	—	(1,215)	(105)	(2,118)
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	—	—	—	—	—
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(798)	—	(1,215)	(105)	(2,118)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Commercial paper and bank credit facilities, net	1,028	—	—	—	1,028
Intercompany borrowings	—	(1)	(104)	105	—
Distributions to noncontrolling interest	—	—	(21)	—	(21)
Dividends paid	(94)	—	—	—	(94)
Common stock activity	—	4	(4)	—	—
Other	2	—	13	—	15
NET CASH PROVIDED BY (USED IN) CONTINUING FINANCING ACTIVITIES	936	3	(116)	105	928
NET CASH USED IN DISCONTINUED OPERATIONS	—	—	—	—	—
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	936	3	(116)	105	928
NET DECREASE IN CASH AND CASH EQUIVALENTS	(258)	—	(282)	—	(540)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	267	—	502	—	769
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 9	$ —	$ 220	$ —	$ 229

APACHE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
For the Quarter Ended March 31, 2014

	Apache Corporation	Apache Finance Canada	All Other Subsidiaries of Apache Corporation	Reclassifications & Eliminations	Consolidated
			(In millions)		
CASH PROVIDED BY (USED IN) CONTINUING OPERATING ACTIVITIES	$ (186)	$ (15)	$ 2,412	$ —	$ 2,211
CASH PROVIDED BY DISCONTINUED OPERATIONS	—	—	82	—	82
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(186)	(15)	2,494	—	2,293
CASH FLOWS FROM INVESTING ACTIVITIES:					
Additions to oil and gas property	(704)	—	(1,614)	—	(2,318)
Leasehold and property acquisitions	(36)	—	(8)	—	(44)
Additions to gas gathering, transmission and processing facilities	(19)	—	(325)	—	(344)
Investment in subsidiaries, net	1,320	—	—	(1,320)	—
Other	(7)	—	16	—	9
NET CASH PROVIDED BY (USED IN) CONTINUING INVESTING ACTIVITIES	554	—	(1,931)	(1,320)	(2,697)
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	—	—	748	—	748
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	554	—	(1,183)	(1,320)	(1,949)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Commercial paper and bank credit facilities, net	42	—	(44)	—	(2)
Intercompany borrowings	—	10	(1,329)	1,319	—
Dividends paid	(79)	—	—	—	(79)
Payments on fixed rate debt	(484)	—	—	—	(484)
Other common stock activity, net	—	5	(6)	1	—
NET CASH PROVIDED BY (USED IN) CONTINUING FINANCING ACTIVITIES	(521)	15	(1,379)	1,320	(565)
NET CASH USED IN DISCONTINUED OPERATIONS	—	—	(42)	—	(42)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(521)	15	(1,421)	1,320	(607)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(153)	—	(110)	—	(263)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	155	3	1,748	—	1,906
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 2	$ 3	$ 1,638	$ —	$ 1,643

APACHE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
March 31, 2015

	Apache Corporation	Apache Finance Canada	All Other Subsidiaries of Apache Corporation	Reclassifications & Eliminations	Consolidated
			(In millions)		
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	$ 9	$ —	$ 220	$ —	$ 229
Receivables, net of allowance	512	—	1,255	—	1,767
Inventories	53	—	613	—	666
Drilling advances	20	—	448	—	468
Assets held for sale	—	—	1,804	—	1,804
Deferred tax asset	612	—	157	—	769
Prepaid assets and other	114	—	89	—	203
Intercompany receivable	5,250	—	—	(5,250)	—
	6,570	—	4,586	(5,250)	5,906
PROPERTY AND EQUIPMENT, NET	9,127	—	32,103	—	41,230
OTHER ASSETS:					
Intercompany receivable	—	—	713	(713)	—
Equity in affiliates	24,707	213	437	(25,357)	—
Goodwill	—	—	87	—	87
Deferred charges and other	173	1,001	1,253	(1,000)	1,427
	$ 40,577	$1,214	$ 39,179	$ (32,320)	$ 48,650
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Accounts payable	$ 564	$ 9	$ 437	$ —	$ 1,010
Current debt	2,598	—	—	—	2,598
Asset retirement obligation	28	—	19	—	47
Other current liabilities	663	7	1,168	—	1,838
Intercompany payable	—	—	5,250	(5,250)	—
	3,853	16	6,874	(5,250)	5,493
LONG-TERM DEBT	9,377	298	—	—	9,675
DEFERRED CREDITS AND OTHER NONCURRENT LIABILITIES:					
Intercompany payable	713	—	—	(713)	—
Income taxes	3,220	—	3,391	—	6,611
Asset retirement obligation	216	—	2,878	—	3,094
Other	1,987	250	(865)	(1,000)	372
	6,136	250	5,404	(1,713)	10,077
COMMITMENTS AND CONTINGENCIES					
APACHE SHAREHOLDERS' EQUITY	21,211	650	24,707	(25,357)	21,211
Noncontrolling interest	—	—	2,194	—	2,194
TOTAL EQUITY	21,211	650	26,901	(25,357)	23,405
	$ 40,577	$1,214	$ 39,179	$ (32,320)	$ 48,650

APACHE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATING BALANCE SHEET
December 31, 2014

	Apache Corporation	Apache Finance Canada	All Other Subsidiaries of Apache Corporation	Reclassifications & Eliminations	Consolidated
			(In millions)		
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	$ 267	$ —	$ 502	$ —	$ 769
Receivables, net of allowance	837	—	1,187	—	2,024
Inventories	24	—	684	—	708
Drilling advances	34	1	353	—	388
Assets held for sale	—	—	1,628	—	1,628
Deferred tax asset	612	—	157	—	769
Prepaid assets and other	32	—	97	—	129
Intercompany receivable	4,939	—	—	(4,939)	—
	6,745	1	4,608	(4,939)	6,415
PROPERTY AND EQUIPMENT, NET	13,940	—	34,136	—	48,076
OTHER ASSETS:					
Intercompany receivable	—	—	608	(608)	—
Equity in affiliates	25,791	869	444	(27,104)	—
Goodwill	—	—	87	—	87
Deferred charges and other	175	1,002	1,197	(1,000)	1,374
	$ 46,651	$1,872	$ 41,080	$ (33,651)	$ 55,952
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Accounts payable	$ 748	$ 10	$ 452	$ —	$ 1,210
Asset retirement obligation	28	—	9	—	37
Other current liabilities	1,014	1	1,402	—	2,417
Intercompany payable	—	—	4,939	(4,939)	—
	1,790	11	6,802	(4,939)	3,664
LONG-TERM DEBT	10,947	298	—	—	11,245
DEFERRED CREDITS AND OTHER NONCURRENT LIABILITIES:					
Intercompany payable	608	—	—	(608)	—
Income taxes	5,076	—	4,423	—	9,499
Asset retirement obligation	211	—	2,837	—	3,048
Other	2,082	250	(973)	(1,000)	359
	7,977	250	6,287	(1,608)	12,906
COMMITMENTS AND CONTINGENCIES					
APACHE SHAREHOLDERS' EQUITY	25,937	1,313	25,791	(27,104)	25,937
Noncontrolling interest	—	—	2,200	—	2,200
TOTAL EQUITY	25,937	1,313	27,991	(27,104)	28,137
	$ 46,651	$1,872	$ 41,080	$ (33,651)	$ 55,952

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

Apache Corporation, a Delaware corporation formed in 1954, is an independent energy company that explores for, develops and produces natural gas, crude oil, and natural gas liquids. The Company has exploration and production interests in five countries: the United States (U.S.), Canada, Egypt, Australia, and the United Kingdom (U.K.) North Sea. Apache also pursues exploration interests in other countries that may over time result in reportable discoveries and development opportunities.

This discussion relates to Apache Corporation and its consolidated subsidiaries and should be read in conjunction with our consolidated financial statements and accompanying notes included under Part I, Item 1, "Financial Statements" of this Quarterly Report on Form 10-Q, as well as our consolidated financial statements, accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for our 2014 fiscal year.

Strategic Overview

The Company's foundation for future growth is driven by our significant producing asset base and large undeveloped acreage positions. This allows for growth through sustainable lower-risk drilling opportunities, balanced by higher-risk, higher-reward exploration. We closely monitor drilling and acquisition cost trends in each of our core areas relative to product prices and, when appropriate, adjust our capital budgets accordingly and allocate funds to projects based on expected value. We do this through a disciplined and focused process that includes analyzing current economic conditions, projected rate of return on internally generated drilling inventories, and opportunities for tactical acquisitions or leasehold purchases that add substantial drilling prospects or, occasionally, provide access to new core areas that could enhance our portfolio.

Over the last five years, Apache has increasingly focused on its North American onshore resource base. Recent drilling successes and acquisitions of acreage positions across North America have built a robust drilling inventory for our Permian, Gulf Coast, and other onshore regions. We believe that this area is capable of driving our growth and performance over the next several years. As part of this strategy, we also conducted a company-wide review of our portfolio and our operations in an effort to best position Apache for the long-term benefit of our shareholders. This review has resulted in several key divestitures during the last eighteen months including the recently completed sale of our Kitimat and Wheatstone LNG projects and the announcement of the sale of substantially all of our operations in Australia, which is expected to close in mid-2015. The Company believes the resulting portfolio, which includes a significant onshore North America resource base coupled with Brent-linked, free cash flow generating assets in the North Sea and Egypt, provides flexibility in capital allocation and a platform for sustainable growth in a volatile commodity price environment.

The decline in the prices of oil and natural gas at the end of 2014 and during the first quarter of 2015 was dramatic; however, we believe this environment will provide future growth opportunities for companies that have moved aggressively in response to the price drop. As we cannot predict the length or depth of this commodity price correction, or the timing and extent of any potential rebound, we moved quickly and decisively regarding certain matters within our control: the timing and levels of capital spending and our cost structure. We are currently operating only 15 rigs onshore in North America, but we are prepared to ramp-up activity when we believe service costs are aligned with the current commodity price environment. We closely monitor commodity prices, service cost levels, regulatory impacts, and numerous other industry factors and routinely adjust our budgets in response to changing market conditions and operating cash flow forecasts.

Financial Highlights

Results for the quarter ended March 31, 2015 include:

- Average daily production in the first quarter of 2015 totaled 601 thousand barrels of oil equivalent (Mboe) compared to 640 Mboe from the comparative 2014 quarter, reflecting divestiture activity during the prior year.
- Liquids production for the quarter averaged 373 Mboe/d, with crude oil representing 85 percent of total liquids production. Liquids production increased slightly from the prior-year quarter despite the significant divestiture activity during 2014.
- Oil and gas production revenues totaled $1.8 billion, down 50 percent from $3.6 billion in the prior-year quarter, reflecting the significant decrease in realized commodity prices and lower production.
- For the first quarter of 2015, Apache reported a loss of $4.7 billion, or $12.34 per diluted common share, compared with earnings of $236 million, or $0.60 per diluted share, for the prior-year quarter. The loss for the quarter reflects after-tax write-downs of oil and gas properties in the U.S., Canada, and U.K. North Sea totaling $4.7 billion.

Operational Developments

Our internally generated exploration and drilling opportunities provide the foundation for our growth. Highlights of our 2015 drilling successes and other operational developments are discussed below.

North America

- North America onshore production of 307 Mboe/d in the first quarter of 2015 represents 51 percent of Apache’s total worldwide production for the period.
- Apache’s Permian Basin region increased production 6 percent relative to the first quarter of 2014 despite only operating an average of 15 rigs during the current period compared to 39 rigs in the first quarter of 2014. Apache plans to complete the wells drilled during 2015 in the normal course of business and continues to work through completing prior-year wells in backlog as service costs are reduced. The Permian represents almost a third of Apache’s total liquids production for the first quarter of 2015.

International

- In April 2015, Apache announced the agreement to sell its Australian subsidiary Apache Energy Limited to a consortium of private equity funds managed by Macquarie Capital Group Limited and Brookfield Asset Management Inc. for cash consideration of $2.1 billion. The transaction is expected to close mid-year 2015 and is subject to necessary government and regulatory approvals and customary post-closing adjustments. The effective date of the sale is October 1, 2014.
- Also during April 2015, Apache completed the previously disclosed sale of its interest in two LNG projects, Wheatstone LNG in Australia and Kitimat LNG in Canada, along with the associated upstream oil and gas assets, to Woodside Petroleum Limited for total proceeds of approximately $3.7 billion, which includes reimbursement of Apache’s net expenditure in the Wheatstone and Kitimat LNG projects, changes in working capital and other contractual adjustments between the effective date, July 1, 2014, and closing.
- During the first quarter of 2015, Apache reported strong appraisal- and development-drilling results from Egypt’s recent new oil fields, Berenice and Ptah, in the Western Desert. Three wells in the Berenice field are currently producing more than 9,500 barrels of oil per day (b/d). Up to four additional wells are planned during the first phase of development in the Berenice field. In the Ptah field, the discovery well is currently producing 2,350 b/d. A second well started production in March 2015 at a rate of 2,000 b/d.

Results of Operations

Oil and Gas Revenues

Oil and gas production revenues for the first quarter of 2015 totaled $1.8 billion, a 50 percent decrease from the comparative 2014 quarter. The table below presents revenues by region and each region's percent contribution to revenues for the first quarter of 2015 and 2014, respectively.

	For the Quarter Ended March 31,			
	2015		2014	
	$ Value	% Contribution	$ Value	% Contribution
	($ in millions)			
Total Oil Revenues:				
United States	$ 510	38%	$1,092	39%
Canada	60	4%	140	5%
North America	570	42%	1,232	44%
Egypt (1)	433	32%	846	30%
Australia	81	6%	170	6%
North Sea	278	20%	567	20%
International(1)	792	58%	1,583	56%
Total(1)	$1,362	100%	$2,815	100%
Total Gas Revenues:				
United States	$ 103	27%	$ 266	41%
Canada	67	17%	148	23%
North America	170	44%	414	64%
Egypt(1)	96	25%	103	16%
Australia	87	22%	86	13%
North Sea	34	9%	43	7%
International(1)	217	56%	232	36%
Total(1)	$ 387	100%	$ 646	100%
Total Natural Gas Liquids (NGL) Revenues:				
United States	$ 47	82%	$ 147	79%
Canada	6	11%	30	16%
North America	53	93%	177	95%
Egypt(1)	3	5%	1	1%
North Sea	1	2%	8	4%
International(1)	4	7%	9	5%
Total(1)	$ 57	100%	$ 186	100%
Total Oil and Gas Revenues:				
United States	$ 660	37%	$1,505	41%
Canada	133	7%	318	9%
North America	793	44%	1,823	50%
Egypt(1)	532	29%	950	26%
Australia	168	9%	256	7%
North Sea	313	18%	618	17%
International(1)	1,013	56%	1,824	50%
Total(1)	$1,806	100%	$3,647	100%
Discontinued Operations – Argentina				
Oil Revenue	$ —		$ 45	
Gas Revenue	—		39	
NGL Revenue	—		3	
Total	$ —		$ 87	

(1) Includes revenues attributable to a noncontrolling interest in Egypt.

Production

The table below presents first quarter 2015 and 2014 production and the relative increase or decrease from the prior period.

	For the Quarter Ended March 31,		
	2015	Increase (Decrease)	2014
Oil Volume – b/d			
United States	126,639	(1%)	127,951
Canada	16,875	(4%)	17,589
North America	143,514	(1%)	145,540
Egypt(1)(2)	91,971	4%	88,093
Australia	20,905	24%	16,825
North Sea	61,699	4%	59,092
International	174,575	6%	164,010
Total	318,089	3%	309,550
Natural Gas Volume – Mcf/d			
United States	435,818	(26%)	592,685
Canada	287,556	(24%)	377,712
North America	723,374	(25%)	970,397
Egypt(1)(2)	363,989	(4%)	377,357
Australia	230,691	7%	215,792
North Sea	50,445	12%	45,071
International	645,125	1%	638,220
Total	1,368,499	(15%)	1,608,617
NGL Volume – b/d			
United States	47,221	(11%)	53,058
Canada	5,853	(25%)	7,769
North America	53,074	(13%)	60,827
Egypt(1)(2)	1,031	342%	233
North Sea	886	(19%)	1,091
International	1,917	45%	1,324
Total	54,991	(12%)	62,151
BOE per day(3)			
United States	246,497	(12%)	279,790
Canada	70,653	(20%)	88,310
North America	317,150	(14%)	368,100
Egypt(2)	153,667	2%	151,219
Australia	59,353	12%	52,790
North Sea	70,993	5%	67,695
International	284,013	5%	271,704
Total	601,163	(6%)	639,804
Discontinued Operations – Argentina			
Oil (b/d)	—		6,885
Gas (Mcf/d)	—		141,352
NGL (b/d)	—		1,287
BOE/d	—		31,731

(1) Gross oil, natural gas, and NGL production in Egypt for the first quarter of 2015 and 2014 were as follows:

	2015	2014
Oil (b/d)	197,785	198,619
Gas (Mcf/d)	861,933	921,440
NGL (b/d)	2,321	649

(2) Includes net production volumes per day attributable to a noncontrolling interest in Egypt:

	2015	2014
Oil (b/d)	30,671	29,066
Gas (Mcf/d)	121,408	124,799
NGL (b/d)	343	78

(3) The table shows production on a barrel of oil equivalent basis (boe) in which natural gas is converted to an equivalent barrel of oil based on a 6:1 energy equivalent ratio. This ratio is not reflective of the price ratio between the two products.

Pricing

The table below presents first quarter 2015 and 2014 pricing and the relative increase or decrease from the prior periods.

	For the Quarter Ended March 31,		
	2015	Increase (Decrease)	2014
Average Oil Price — Per barrel			
United States	$44.73	(53%)	$ 94.84
Canada	39.76	(55%)	88.19
North America	44.14	(53%)	94.03
Egypt	52.29	(51%)	106.70
Australia	43.17	(62%)	112.26
North Sea	49.95	(53%)	106.60
International	50.37	(53%)	107.24
Total	47.56	(53%)	101.03
Average Natural Gas Price — Per Mcf			
United States	$ 2.63	(47%)	$ 4.98
Canada	2.58	(41%)	4.38
North America	2.61	(45%)	4.75
Egypt	2.92	(3%)	3.02
Australia	4.19	(5%)	4.42
North Sea	7.40	(31%)	10.69
International	3.73	(7%)	4.03
Total	3.14	(30%)	4.46
Average NGL Price — Per barrel			
United States	$11.00	(64%)	$ 30.81
Canada	11.09	(74%)	42.09
North America	11.01	(66%)	32.25
Egypt	36.29	(44%)	64.34
North Sea	24.74	(69%)	79.84
International	30.95	(60%)	77.11
Total	11.71	(65%)	33.20
Discontinued Operations — Argentina			
Oil price ($/Bbl)	$ —		$ 72.70
Gas price ($/Mcf)	—		3.04
NGL price ($/Bbl)	—		24.57

Crude Oil Revenues

Crude oil revenues for the first quarter of 2015 totaled $1.4 billion, a $1.5 billion decrease from the comparative 2014 quarter. The $1.5 billion decrease was a result of substantially lower realized prices, slightly offset by higher production volumes which increased revenues by $37 million. Crude oil accounted for 75 percent of oil and gas production revenues and 53 percent of worldwide production in the first quarter of 2015.

Worldwide production increased 8.5 thousand barrels of oil per day (Mb/d) from the first quarter of 2014 to 318.1 Mb/d in the first quarter of 2015, primarily from our international operations and drilling activity in North American onshore regions offsetting recent divestitures. Excluding production from North American assets divested between the periods, worldwide oil production increased 23.8 Mb/d.

Natural Gas Revenues

Natural gas revenues for the first quarter of 2015 totaled $387 million, down $259 million from the first quarter of 2014. A 30 percent decrease in average realized prices decreased revenues by $191 million as compared to the prior-year quarter, while a 15 percent decrease in average production further reduced natural gas revenues by $68 million. Natural gas accounted for 21 percent of our oil and gas production revenues and 38 percent of our equivalent production during the first quarter of 2015.

Worldwide production for the first quarter of 2015 decreased 240 MMcf/d from the comparative 2014 quarter, primarily as a result of divestitures made during 2014 and lower levels of drilling activity in the recent low commodity price environment. Excluding production from North American assets divested between the periods, gas production increased 36 MMcf/d.

NGL Revenues

NGL revenues for the first quarter of 2015 totaled $57 million, down $129 million from the first quarter of 2014. A 65 percent decrease in average realized prices decreased revenues by $121 million compared to the prior-year quarter, while a 12 percent decrease in average production further decreased NGL revenues by $8 million. NGLs accounted for 3 percent of our oil and gas production revenues and 9 percent of our equivalent production during the first quarter of 2015.

Worldwide production of NGLs decreased 7.2 Mb/d to 55.0 Mb/d in the first quarter of 2015, primarily as a result of divestitures made during 2014 and lower levels of drilling activity in the recent low commodity price environment. Excluding production from North American assets divested between the periods, NGL production increased 5.0 Mb/d.

Operating Expenses

The table below presents a comparison of our expenses on an absolute dollar basis and a boe basis. Our discussion may reference expenses on a boe basis, on an absolute dollar basis or both, depending on their relevance. Operating expenses include costs attributable to a noncontrolling interest in Egypt but exclude discontinued operations in Argentina.

	For the Quarter Ended March 31,			
	2015	2014	2015	2014
	(In millions)		(Per boe)	
Depreciation, depletion and amortization:				
Oil and gas property and equipment				
Recurring	$1,089	$1,109	$ 20.13	$19.26
Additional	7,220	—	133.44	—
Other assets	98	97	1.81	1.68
Asset retirement obligation accretion	44	44	0.82	0.77
Lease operating costs	538	597	9.94	10.37
Gathering and transportation costs	56	70	1.02	1.19
Taxes other than income	84	181	1.54	3.15
General and administrative expense	79	103	1.46	1.79
Acquisition, divestiture, and separation costs	54	18	1.00	0.31
Financing costs, net	46	27	0.86	0.48
Total	$9,308	$2,246	$172.02	$39.00

Recurring Depreciation, Depletion and Amortization (DD&A) The following table details the changes in DD&A of oil and gas properties between the first quarters of 2015 and 2014:

	For the Quarter Ended March 31,
	(In millions)
2014 DD&A	$ 1,109
Volume change	(46)
DD&A Rate change	26
2015 DD&A	$ 1,089

Recurring full-cost depletion expense decreased $20 million compared to the prior-year quarter on an absolute dollar basis: $46 million from lower volumes, partially offset by an increase of $26 million from a higher average cost rate per boe. Our full-cost depletion rate increased $0.87 to $20.13 per boe reflecting increased cost for exploration and development activity over the past several years.

Additional DD&A Under the full cost method of accounting, the Company is required to review the carrying value of its proved oil and gas properties each quarter on a country-by-country basis. Under these rules, capitalized costs of oil and gas properties, net of accumulated DD&A and deferred income taxes, may not exceed the present value of estimated future net cash flows from proved oil and gas reserves, net of related tax effects and discounted 10 percent per annum. Estimated future net cash flows are calculated using end-of-period costs and an unweighted arithmetic average of commodity prices in effect on the first day of each of the previous 12 months, held flat for the life of the production, except where prices are defined by contractual arrangements.

During the first quarter of 2015, we recorded $5.2 billion ($3.4 billion net of tax), $1.4 billion ($1.0 billion net of tax), and $632 million ($316 million net of tax) in non-cash write-downs of the carrying value of the Company's U.S., Canada, and North Sea proved oil and gas properties, respectively. If commodity prices do not recover significantly from the current prices, the Company expects further write-downs of the carrying value of its oil and gas properties, which may be material to the Company's consolidated financial statements, throughout the remainder of 2015.

Lease Operating Expenses (LOE) LOE decreased $59 million, or 10 percent, on an absolute dollar basis, for the quarter ended March 31, 2015, relative to the comparable period of 2014. On a per unit basis, LOE decreased 4 percent to $9.94 per boe for the first quarter of 2015, as compared to the same prior-year period. The following table identifies changes in Apache's LOE rate between the first quarter of 2015 and 2014.

	Per boe
First-Quarter 2014 LOE	$10.37
Divestitures(1)	0.35
Equipment rental	0.20
Saltwater disposal	0.10
Workover costs	(0.16)
Labor and overhead costs	(0.16)
Power and fuel costs	(0.32)
FX impact	(0.45)
Other	0.24
Other increased production	(0.23)
First-Quarter 2015 LOE	$ 9.94

(1) Per-unit impact of divestitures is shown net of associated production.

Gathering and Transportation Gathering and transportation costs totaled $56 million in the first quarter of 2015, down $14 million from the first quarter of 2014 on lower North American production. On a per-unit basis, gathering and transportation costs of $1.02 for the first quarter of 2015 were down 14 percent from the prior-year quarter. The following table presents gathering and transportation costs paid by Apache directly to third-party carriers for each of the periods presented:

	For the Quarter Ended March 31, 2015	2014
	(In millions)	
Canada	$ 26	$ 34
U.S.	16	22
Egypt	10	10
North Sea	4	4
Total Gathering and transportation	$ 56	$ 70

Taxes other than Income Taxes other than income totaled $84 million for the first quarter of 2015, a decrease of $97 million from the comparative prior-year period. The following table presents a comparison of these expenses:

	For the Quarter Ended March 31, 2015	2014
	(In millions)	
Australia PRRT and U.K. PRT	$ 24	$ 63
Severance taxes	30	73
Ad valorem taxes	24	40
Other	6	5
Total Taxes other than income	$ 84	$ 181

Australia Petroleum Resource Rent Tax (PRRT) is a levy assessed on the sale of hydrocarbons derived from specific developmental areas in Australia. The North Sea Petroleum Revenue Tax (PRT) is assessed on qualifying fields in the U.K. North Sea. For the first quarter of 2015, Australian PRRT and U.K. PRT were $39 million lower than the 2014 period based on a decrease in revenues from qualifying fields during the first quarter. Severance tax expense and ad valorem tax expense decreased $43 million and $16 million, respectively, on lower production and oil and gas prices.

General and Administrative Expenses General and administrative expenses (G&A) for the first quarter of 2015 decreased $24 million from the comparable 2014 period on lower incentive and stock-based compensation costs following a headcount reduction in January 2015, as well as other lower corporate costs and foreign exchange benefits.

Acquisition, Divestiture, and Separation Costs Acquisition, divestiture, and separation costs for the first quarter of 2015 totaled $54 million, a $36 million increase as compared to the prior-year quarter, primarily driven by separation payments and other costs related to an overall headcount reduction of approximately 5 percent, as well as the retirement of our former Chairman and Chief Executive Officer during the quarter. Acquisition, divestiture, and separation costs for the period also include costs related to recent divestiture and leasehold acquisition activity.

Financing Costs, Net Financing costs incurred during the period comprised the following:

	For the Quarter Ended March 31, 2015	For the Quarter Ended March 31, 2014
	(In millions)	
Interest expense	$ 128	$ 124
Amortization of deferred loan costs	2	2
Capitalized interest	(80)	(95)
Interest income	(4)	(4)
Financing costs, net	$ 46	$ 27

Net financing costs increased $19 million in the first quarter of 2015 compared to the same 2014 period primarily from a $15 million decrease in capitalized interest as a result of divestitures made throughout 2014 and a $4 million increase in interest expense during 2015.

Provision for Income Taxes The Company estimates its annual effective income tax rate in recording its quarterly provision for income taxes in the various jurisdictions in which the Company operates. Statutory tax rate changes and other significant or unusual items are recognized as discrete items in the quarter in which they occur.

On March 26, 2015, U.K. Finance Bill 2015 received Royal Assent. Under the enacted legislation, the corporate income tax rate on North Sea oil and gas profits was reduced from 62 percent to 50 percent effective January 1, 2015. As a result of the enacted legislation in the first quarter of 2015, the Company recorded a discrete deferred tax benefit of $619 million related to the remeasurement of the Company's December 31, 2014 U.K. deferred income tax liability.

The 2015 first-quarter income tax benefit was $2.9 billion, representing an effective income tax rate of 38 percent for the quarter compared to 40 percent during the 2014 period. The 2015 effective rates reflect the tax benefit from the $7.2 billion non-cash write-downs of our U.S., Canada, and North Sea proved oil and gas properties, the tax benefit related to the change in U.K. income tax rate from 62 percent to 50 percent, and the Canadian valuation allowance. The 2014 effective rate reflects the Canadian valuation allowance and deferred tax expense related to mark-to-market commodity derivatives. Excluding these items, the first-quarter 2015 and 2014 effective rates would have been 28 and 41 percent, respectively.

Capital Resources and Liquidity

Operating cash flows are the Company's primary source of liquidity. We may also elect to utilize available committed borrowing capacity, access to both debt and equity capital markets, or proceeds from the sale of nonstrategic assets for all other liquidity and capital resource needs.

Apache's operating cash flows, both in the short-term and the long-term, are impacted by highly volatile oil and natural gas prices. Significant deterioration in commodity prices negatively impacts our revenues, earnings and cash flows, and potentially our liquidity if spending does not trend downward as well. Sales volumes and costs also impact cash flows; however, these historically have not been as volatile and have less impact than commodity prices in the short-term.

Apache's long-term operating cash flows are dependent on reserve replacement and the level of costs required for ongoing operations. Cash investments are required to fund activity necessary to offset the inherent declines in production and proved crude oil and natural gas reserves. Future success in maintaining and growing reserves and production is highly dependent on the success of our drilling program and our ability to add reserves at reasonable costs.

We believe the liquidity and capital resource alternatives available to Apache, combined with proactive measures to adjust our capital budget to reflect lower oil prices and anticipated operating cash flows, will be adequate to fund short-term and long-term operations, including our capital spending program, repayment of debt maturities, and any amount that may ultimately be paid in connection with commitments and contingencies.

For additional information, please see Part II, Item 1A, "Risk Factors" of this Quarterly Report on Form 10-Q and Part I, Items 1 and 2, "Business and Properties," and Item 1A, "Risk Factors," in our Annual Report on Form 10-K for our 2014 fiscal year.

Sources and Uses of Cash

The following table presents the sources and uses of our cash and cash equivalents for the periods presented.

	For the Three Months Ended March 31, 2015	2014
	(In millions)	
Sources of Cash and Cash Equivalents:		
Net cash provided by continuing operating activities	$ 650	$ 2,211
Commercial paper and bank loan borrowings, net	1,028	—
Net cash provided by Argentina discontinued operations	—	788
Other	15	9
	1,693	3,008
Uses of Cash and Cash Equivalents:		
Capital expenditures(1)	$ 1,991	$ 2,706
Leasehold and property acquisitions	92	44
Dividends paid	94	79
Treasury stock activity, net	—	484
Other	56	2
	2,233	3,315
Increase (decrease) in cash and cash equivalents	$ (540)	$ (307)

(1) The table presents capital expenditures on a cash basis; therefore, the amounts may differ from those discussed elsewhere in this document, which include accruals.

Net Cash Provided by Continuing Operating Activities Operating cash flows are our primary source of capital and liquidity and are impacted, both in the short-term and the long-term, by volatile oil and natural gas prices. The factors that determine operating cash flow are largely the same as those that affect net earnings, with the exception of non-cash expenses such as DD&A, asset retirement obligation (ARO) accretion, and deferred income tax expense, which affect earnings but do not affect cash flows.

Net cash provided by continuing operating activities for the first three months of 2015 totaled $650 million, a decrease of $1.6 billion from the first three months of 2014. The decrease is primarily a result of the loss from operations from low oil prices and lower production during the first quarter of 2015 and changes in working capital.

For a detailed discussion of commodity prices, production, and expenses, refer to the "Results of Operations" of this Item 2. For additional detail on the changes in operating assets and liabilities and the non-cash expenses that do not impact net cash provided by operating activities, please see the statement of consolidated cash flows in Part I, Item 1, Financial Statements of this Quarterly Report on Form 10-Q.

Commercial paper and bank loan borrowings During the first quarter of 2015, Apache's net borrowings on committed bank facilities, uncommitted bank lines, and commercial paper totaled $1.0 billion. Outstanding debt under these programs totaled $2.6 billion as of March 31, 2015, and was classified as current on Apache's consolidated balance sheet based on an intent to repay the obligations with proceeds from the LNG project divestitures. All current debt was repaid in April 2015 upon closing of those divestitures.

Capital Expenditures Worldwide E&D expenditures for the first three months of 2015 totaled $1.8 billion, compared to $2.3 billion for the first three months of 2014. Apache's E&D capital spending was primarily focused on North American onshore assets. With the focused reduction of drilling rigs and activity occurring during the first quarter of 2015, we expect capital expenditures to be significantly reduced for the remainder of the year. In the North America onshore region, Apache operated an average of 32 drilling rigs during the first quarter of 2015.

Apache also completed leasehold and property acquisitions totaling $92 million and $44 million during the first quarters of 2015 and 2014, respectively. Our 2015 acquisition investments continue to focus on adding new leasehold positions to our North American onshore portfolio.

Apache's investment in gas gathering, transmission, and processing (GTP) facilities totaled $223 million during the first quarter of 2015 compared to $344 million in the comparative prior-year period.

Dividends For the three-month periods ended March 31, 2015 and 2014, the Company paid $94 million and $79 million, respectively, in dividends on its common stock.

Liquidity

The following table presents a summary of our key financial indicators at the dates presented:

	March 31, 2015	December 31, 2014
	(In millions of dollars, except as indicated)	
Cash and cash equivalents	$ 229	$ 769
Total debt	12,273	11,245
Equity	23,405	28,137
Available committed borrowing capacity	2,702	3,730
Percent of total debt-to-capitalization	34%	29%

Cash and cash equivalents We had $229 million in cash and cash equivalents as of March 31, 2015, compared to $769 million at December 31, 2014. At March 31, 2015, approximately $210 million of the cash was held by foreign subsidiaries. The cash held by foreign subsidiaries is subject to additional U.S. income taxes if repatriated. The majority of the cash is invested in highly liquid, investment grade securities with maturities of three months or less at the time of purchase.

Debt As of March 31, 2015, outstanding debt, which consisted of notes, debentures, commercial paper, committed bank facilities, and uncommitted bank lines, totaled $12.3 billion. Current debt of $2.6 billion was outstanding as of March 31, 2015.

Available committed borrowing capacity As of March 31, 2015, the Company had unsecured committed revolving syndicated bank credit facilities totaling $5.3 billion, of which $2.0 billion matures in December 2015, $1.0 billion matures in August 2016, and $2.3 billion matures in June 2018. Apache has $2.0 billion, $1.7 billion, and $1.0 billion U.S. facilities, a $300 million Australian facility, and a $300 million Canadian facility. As of March 31, 2015, available borrowing capacity under the Company's credit facilities was $2.7 billion. The Company's committed credit facilities are used to support Apache's commercial paper program.

The Company has a $5.0 billion commercial paper program, which allows Apache to borrow funds for up to 270 days at competitive interest rates. As of March 31, 2015, the Company had $2.6 billion in current debt outstanding under commercial paper, committed bank facilities, and uncommitted bank lines. This amount was classified as current on Apache's consolidated balance sheet based on an intent to repay the obligations with the proceeds from the LNG project divestitures. All current debt was repaid in April 2015 upon closing of those divestitures.

The Company was in compliance with the terms of all credit facilities as of March 31, 2015.

Percent of total debt-to-capitalization The Company's debt-to-capitalization ratio at March 31, 2015 and December 31, 2014 was 34 percent and 29 percent, respectively.

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Risk

The Company's revenues, earnings, cash flow, capital investments and, ultimately, future rate of growth are highly dependent on the prices we receive for our crude oil, natural gas and NGLs, which have historically been very volatile because of unpredictable events such as economic growth or retraction, weather, and political climate. Our average crude oil realizations decreased 53 percent to $47.56 per barrel in the first quarter of 2015 from $101.03 per barrel in the comparable period of 2014. Our average natural gas price realizations decreased 30 percent to $3.14 per Mcf from $4.46 per Mcf in the comparable period of 2014.

We periodically enter into derivative positions on a portion of our projected oil and natural gas production through a variety of financial and physical arrangements intended to manage fluctuations in cash flows resulting from changes in commodity prices. Apache periodically uses futures contracts, swaps, and options to mitigate commodity price risk. Apache does not hold or issue derivative instruments for trading purposes. As of March 31, 2015, Apache had no open commodity derivative positions.

Interest Rate Risk

The Company considers its interest rate risk exposure to be minimal as a result of fixing interest rates on approximately 79 percent of the Company's debt. At March 31, 2015, total debt included $2.6 billion of floating-rate debt. As a result, Apache's annual interest costs will fluctuate based on short-term interest rates on approximately 21 percent of our total debt outstanding at March 31, 2015. The impact on cash flow of a 10 percent change in the floating interest rate based on debt balances at March 31, 2015, would be approximately $588,570 per quarter.

Foreign Currency Risk

The Company's cash flow stream relating to certain international operations is based on the U.S. dollar equivalent of cash flows measured in foreign currencies. In Australia, oil production is sold under U.S. dollar contracts, and gas production is sold under a mixture of fixed-price U.S. dollar and Australian dollar contracts. Approximately 40 percent of the costs incurred for Australian operations are paid in U.S. dollars. In Canada, oil and gas prices and costs, such as equipment rentals and services, are generally denominated in Canadian dollars but heavily influenced by U.S. markets. Our North Sea production is sold under U.S. dollar contracts, and the majority of costs incurred are paid in British pounds. In Egypt, all oil and gas production is sold under U.S. dollar contracts, and the majority of the costs incurred are denominated in U.S. dollars. Revenue and disbursement transactions denominated in Australian dollars, Canadian dollars, and British pounds are converted to U.S. dollar equivalents based on average exchange rates during the period.

Foreign currency gains and losses also arise when monetary assets and monetary liabilities denominated in foreign currencies are translated at the end of each month. Currency gains and losses are included as either a component of "Other" under "Revenues and Other" or, as is the case when we re-measure our foreign tax liabilities, as a component of the Company's provision for income tax expense on the statement of consolidated operations. A 10 percent strengthening or weakening of the Australian dollar, Canadian dollar, and British pound as of March 31, 2015, would result in a foreign currency net loss or gain, respectively, of approximately $163 million.

Forward-Looking Statements and Risk

This report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included or incorporated by reference in this report, including, without limitation, statements regarding our future financial position, business strategy, budgets, projected revenues, projected costs, and plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements are based on our examination of historical operating trends, the information that was used to prepare our estimate of proved reserves as of December 31, 2014, and other data in our possession or available from third parties. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “could,” “expect,” “intend,” “project,” “estimate,” “anticipate,” “plan,” “believe,” or “continue” or similar terminology. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, our assumptions about:

- the market prices of oil, natural gas, NGLs and other products or services;
- our commodity derivative and hedging arrangements;
- the supply and demand for oil, natural gas, NGLs, and other products or services;
- production and reserve levels;
- drilling risks;
- economic and competitive conditions;
- the availability of capital resources;
- capital expenditure and other contractual obligations;
- currency exchange rates;
- weather conditions;
- inflation rates;
- the availability of goods and services;
- legislative or regulatory changes;
- the impact on our operations due to changes in the Egyptian government;
- the integration of acquisitions;
- terrorism or cyber attacks;
- occurrence of property acquisitions or divestitures;
- the securities or capital markets and related risks such as general credit, liquidity, market, and interest-rate risks; and
- other factors disclosed under Items 1 and 2—Business and Properties—Estimated Proved Reserves and Future Net Cash Flows, Item 1A—Risk Factors, Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations, Item 7A—Quantitative and Qualitative Disclosures About Market Risk and elsewhere in our most recently filed Annual Report on Form 10-K, other risks and uncertainties in our first-quarter 2015 earnings release, other factors disclosed under Part II, Item 1A—Risk Factors of this Quarterly Report on Form 10-Q, and other filings that we make with the Securities and Exchange Commission.

All subsequent written and oral forward-looking statements attributable to the Company, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements. We assume no duty to update or revise our forward-looking statements based on changes in internal estimates or expectations or otherwise.

ITEM 4 – CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

John J. Christmann, the Company's Chief Executive Officer and President, in his capacity as principal executive officer, and Stephen J. Riney, the Company's Executive Vice President and Chief Financial Officer, in his capacity as principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2015, the end of the period covered by this report. Based on that evaluation and as of the date of that evaluation, these officers concluded that the Company's disclosure controls and procedures were effective, providing effective means to ensure that information we are required to disclose under applicable laws and regulations is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

We periodically review the design and effectiveness of our disclosure controls, including compliance with various laws and regulations that apply to our operations both inside and outside the United States. We make modifications to improve the design and effectiveness of our disclosure controls, and may take other corrective action, if our reviews identify deficiencies or weaknesses in our controls.

Changes in Internal Control over Financial Reporting

There was no change in our internal controls over financial reporting during the period covered by this Quarterly Report on Form 10-Q that materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Please refer to both Part I, Item 3 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and Note 7—Commitments and Contingencies of the notes to the consolidated financial statements set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q, for a description of material legal proceedings.

ITEM 1A. RISK FACTORS

Please refer to both Part I, Item 1A—Risk Factors of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and as noted above in Part I, Item 3—Quantitative and Qualitative Disclosures About Market Risk of this Quarterly Report on Form 10-Q.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Apache's Board of Directors has authorized the purchase of up to 40 million shares of the Company's common stock. Shares may be purchased either in the open market or through privately held negotiated transactions. The Company initiated the buyback program on June 10, 2013, and through December 31, 2014, had repurchased a total of 32.2 million shares at an average price of $88.96 per share. The Company has not purchased any additional shares during 2015, and is not obligated to acquire any specific number of shares.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

3.1	–	Restated Certificate of Incorporation of Registrant, dated September 19, 2013, as filed with the Secretary of State of Delaware on September 19, 2013 (incorporated by reference to Exhibit 3.2 to Registrant's Current Report on Form 8-K filed September 20, 2013, SEC File No. 001 -4300).
3.2	–	Bylaws of Registrant, as amended February 19, 2015 (incorporated by reference to Exhibit 3.1 to Registrant's Current Report on Form 8-K filed February 23, 2015, SEC File No. 001-4300).
*10.1	–	Form of 2015 Performance Share Program Award Notice and Agreement.
*10.2	–	2015 Long Term Cash Performance Program Award Notice and Agreement between Registrant and Stephen J. Riney, dated April 8, 2015.
10.3	–	Retirement Agreement, dated January 19, 2015, between Registrant and G. Steven Farris (incorporated by reference to Exhibit 10.39 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2014, SEC File No. 001-4300).
10.4	–	Amendment of Stock Option Grants (2011 Omnibus Equity Compensation Plan), dated January 20, 2015, between Registrant and G. Steven Farris (incorporated by reference to Exhibit 10.63 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2014, SEC File No. 001-4300).
10.5	–	Amendment of Restricted Stock Unit Awards (2007 and 2011 Omnibus Equity Compensation Plans), dated January 20, 2015, between Registrant and G. Steven Farris (incorporated by reference to Exhibit 10.64 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2014, SEC File No. 001-4300).
10.6	–	Amendment of 2014 Performance Program (Business Performance) Award (2011 Omnibus Compensation Plan), dated January 20, 2015, between Registrant and G. Steven Farris (incorporated by reference to Exhibit 10.65 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2014, SEC File No. 001-4300).
*10.7	–	Restricted Stock Unit Award Agreement between Registrant and John J. Christmann, dated February 18, 2015.
*31.1	–	Certification (pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act) by Principal Executive Officer.
*31.2	–	Certification (pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act) by Principal Financial Officer.
*32.1	–	Section 1350 Certification (pursuant to Sarbanes-Oxley Section 906) by Principal Executive Officer and Principal Financial Officer.
*101.INS	–	XBRL Instance Document.
*101.SCH	–	XBRL Taxonomy Schema Document.
*101.CAL	–	XBRL Calculation Linkbase Document.
*101.LAB	–	XBRL Label Linkbase Document.
*101.PRE	–	XBRL Presentation Linkbase Document.
*101.DEF	–	XBRLDefinition Linkbase Document.

* 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 hereunto duly authorized.

	APACHE CORPORATION
Dated: May 7, 2015	/s/ STEPHEN J. RINEY
	Stephen J. Riney Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Dated: May 7, 2015	/s/ REBECCA A. HOYT
	Rebecca A. Hoyt Senior Vice President, Chief Accounting Officer, and Controller (Principal Accounting Officer)

SCHEDULE A

Apache Corporation
2015 Performance Share Program

AWARD NOTICE

Recipient Name:	[Name]
Company:	Apache Corporation
Notice:	A summary of the terms of Conditional Grants of Restricted Stock Units (“RSUs”) under the 2015 Performance Share Program is set out in this notice (the “Award Notice”) but subject always to the terms of the Apache Corporation 2011 Omnibus Equity Compensation Plan (the “Plan”) and the 2015 Performance Share Program Agreement (the “Agreement”). In the event of any inconsistency between the terms of this Award Notice, the terms of the Plan and the Agreement, the terms of the Plan and the Agreement shall prevail. Selected Eligible Persons have been awarded a conditional grant of Apache Corporation RSUs in accordance with the terms of the Plan and the Agreement. Details of the RSUs which you are conditionally entitled to receive is provided to you in this Award Notice and maintained on your account at netbenefits.fidelity.com
Type of Award:	A conditional award of RSUs based on a target percentage of annual base salary determined at the beginning of the Performance Period derived from job level (the “Conditional Grant”). RSUs granted pursuant to this Conditional Grant are not eligible for dividends or dividend equivalents.
Restricted Stock Unit:	A Restricted Stock Unit (“RSU”) as defined in the Plan and meaning the right granted to the Recipient of the Conditional Grant, as adjusted at the end of the Performance Period, to receive one share of Stock for each Restricted Stock Unit at the end of the specified Vesting Period.
Stock:	The $0.625 par value common stock of the Company or as otherwise defined in the Plan.
Grant:	A Conditional Grant related to ______ Restricted Stock Units (“Target Amount”)
Grant Date:	[Date]

Conditions:	Subject always to the terms of the Plan and the Agreement, the Conditional Grant of RSUs shall be made as of the Grant Date. At the end of the Performance Period, the Committee shall derive and confirm the number of Conditional Grant RSUs that will actually be awarded as RSUs to the Recipient based upon measurement of the specific performance goals, applicable performance percentage levels and applicable weighting percentages during the Performance Period as set forth in Schedule B to the Agreement, provided that the Recipient remains an Eligible Person and employed by the Company or its Affiliate as of the final day of the Performance Period. Once granted at the conclusion of the Performance Period, such RSUs shall remain subject to a vesting schedule (as set forth below) (the "Vesting Period"). Once vested, the Recipient shall be paid the value of his or her RSUs in shares of Stock (net of shares withheld for applicable tax withholdings) provided that the Recipient remains employed as an Eligible Person during the Vesting Period including the vesting date.
Performance Measure:	The performance measures for the Conditional Grant, the performance percentage levels, and the applicable weighting percentages to be applied over the Performance Period are set forth on Schedule B to the Agreement. At the end of the Performance Period, the Committee shall determine and certify the attainment of each performance goal based on the established performance percentage levels and apply the applicable weighting percentages to determine the Final Amount of RSUs to be awarded to each Recipient.
Performance Period:	The three-year period commencing January 1, 2015 and ending December 31, 2017.
Vesting Period:	Except upon a change of control (as described below), death, or total and permanent disability (as described below), cessation of employment during the Performance Period shall result in the immediate forfeiture of the entire amount of the Conditional Grant. To the extent all or a part of a Conditional Grant RSU award is earned as of the end of the Performance Period, an award equal to the Final Amount shall be made in RSUs to the Recipient as soon as administratively practical, but not later than March 15 following the end of the Performance Period. Any such RSUs awarded shall vest in accordance with the following schedule, provided that the Recipient remains employed as an Eligible Person as of such vesting date: First day following the close of the Performance Period – 50% vested.

First anniversary of the first day following the close of the Performance Period – an additional 50% vested.

Except as described below, cessation of employment will result in the immediate forfeiture of all unvested RSUs.

Vesting is accelerated to 100% upon the Recipient's death or total and permanent Disability during the Performance Period or the subsequent Vesting Period. Upon death or total and permanent Disability during the Performance Period, the number of RSUs (and related shares of Stock) granted shall be deemed to be 1.00 times the Conditional Grant amount of RSUs (the Target Amount). Upon vesting, the applicable shares of Stock, subject to required tax withholding, shall be transferred by the Company to the Recipient (or, in the event of the Recipient's death, to his beneficiary) within thirty (30) days of the vesting date. The Recipient can name a beneficiary on a form approved by the Committee.

Vesting is accelerated to 100% upon a Recipient's Involuntary Termination or Voluntary Termination with Cause occurring (i) on or after a 409A Change of Control during the Vesting Period provided that the Recipient is an Eligible Person at the time of such termination and (ii) after completion of the Performance Period. Upon vesting, the applicable shares of Stock, subject to required tax withholding, shall be transferred by the Company to the Recipient within thirty (30) days of the vesting date.

In the event of the Recipient's Involuntary Termination or Voluntary Termination with Cause which occurs (i) on or after a 409A Change of Control of the Company and (ii) on or prior to the end of the Performance Period, the Recipient will become 100% fully vested upon the occurrence of his Involuntary Termination or Voluntary Termination with Cause on or after the 409A Change of Control in the number of RSUs determined by applying the multiple of 1.00 to the Target Amount. Upon vesting, the applicable shares of Stock, subject to required tax withholding, shall be transferred by the Company to the Recipient within thirty (30) days of the later of (i) the date of the Recipient's Involuntary Termination or Voluntary Termination with Cause or (ii) the end of the Performance Period. Notwithstanding the foregoing, if the payment of the Final Amount is subject to Internal Revenue Code Section 409A, payment will not occur until the earlier of (1) the date payment would have been due if the 409A Change of Control had not occurred or (2) the date that the 409A Change of Control

	constitutes a "change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation" within the meaning of Internal Revenue Code Section 409A(a)(2)(A)(v). If, during the Vesting Period, and after the end of the Performance Period, the Recipient's termination of employment from the Company and the Affiliates occurs by reason of his or her Retirement, the Recipient may be deemed to continue to be employed as an Eligible Person for purposes of this Grant and may continue to vest over the Vesting Period provided that the Recipient meets the Retirement Conditions set forth in section 6 of the Agreement. In the event of a 409A Change of Control during such continued Vesting Period, vesting is accelerated to 100%.
Withholding:	The Company and the Recipient will comply with all federal and state laws and regulations respecting the required withholding, deposit and payment of any income, employment or other taxes relating to the Grant.
Acceptance	Please complete the on-line grant acceptance as promptly as possible to accept or reject your Conditional Grant. You can access this through your account at netbenefits.fidelity.com. By accepting your Conditional Grant, you will have agreed to the terms and conditions set forth in the Agreement, including, but not limited to, the non-compete and non-disparagement provisions set forth in sections 6 and 7 of the Agreement, and the terms and conditions of the Plan. If you do not accept your grant you will be unable to receive your Conditional Grant or the related RSUs.

SCHEDULE B

Apache Corporation
2015 Performance Share Program

PERFORMANCE MEASURES

Performance Goals: ***1. Total Shareholder Return***

At the end of the Performance Period, the Committee shall derive and confirm a portion of the number of Conditional Grant RSUs that will actually be awarded as RSUs to the Recipient based upon measurement of total shareholder return ("TSR") of Stock as compared to a designated Peer Group during the Performance Period, provided that the Recipient remains an Eligible Person and employed by the Company or its Affiliate as of the final day of the Performance Period.

TSR is determined by dividing (i) the sum of the cumulative amount of a company's dividends for the performance period (assuming same-day reinvestment into the company's common stock on the ex-dividend date) and the share price of the company at the end of the performance period minus the share price at the beginning of the performance period by (ii) the share price at the beginning of the performance period.

- Begin Price = Average per share closing price of a share or share equivalent on the applicable stock exchange for the 60 business (trading) days preceding the beginning of the performance period
- End Price = Average per share closing price of a share or share equivalent on the applicable stock exchange for the last 60 business (trading) days of the performance period
- Dividends = Includes dividends paid throughout performance period
- TSR ranking compared to designated Peer Group (11 companies selected)
    - Anadarko Petroleum Corporation
    - Chesapeake Energy Corporation
    - ConocoPhillips Company

- Devon Energy Corporation
- EOG Resources, Inc.
- Hess Corporation
- Marathon Oil Corporation
- Murphy Oil Corporation
- Noble Energy Inc.
- Occidental Petroleum Corporation
- Pioneer Natural Resources Co.

- Apache's performance over a three-year performance period will be directly ranked within the peer group, resulting in the application of a single multiplier to the target shares to derive the number of shares awarded. The multiplier will range from 0 for performance in the bottom quartile to 1.5 for ranking 1st among the peer group.
- Should consolidation among peers in the marketplace occur, the ranking schedule would adjust to accommodate the reduced number of peers.

2. Business Performance

At the end of the Performance Period, the Committee shall derive and confirm a portion of the number of Conditional Grant RSUs that will actually be awarded as RSUs to the Recipient based upon quantitative performance measures related to the following criteria:

- Cash Flow from Operations; and
- Reserves Added per Debt Adjusted Share

The Committee will consider all of the above performance measures related to the Company as a whole as follows:

Metric	Weighting	Threshold	Target	Max
Total Shareholder Return	50%	9th	Between 6th - 7th	1st – 3rd
Cash Flow from Operations	25%	-10%	Plan	+10%
Reserves added per debt adjusted share	25%	-10%	Plan	+10%

Performance Period: Three calendar years

- 1/1/2015 to 12/31/17

Measurement: At the conclusion of the three-year performance period, a calculation of TSR performance will be made and confirmed. 50% of the total Target Amount of RSUs will be determined based upon the final TSR performance as follows:

Rank Against Peers	Payout Multiple
1	1.50
2	1.50
3	1.50
4	1.30
5	1.20
6	1.10
7	0.90
8	0.80
9	0.70
10	0.00
11	0.00
12	0.00

Cash Flow from Operations will be evaluated annually during the three-year performance period against their respective performance targets as determined at the beginning of each year (performance target for each calendar year to be determined prior to March 31). Performance will be measured as a percentage above or below target. 25% of the total Target Amount of RSUs will be determined based upon the three-year average of the Cash Flow from Operations performance.

Reserves Added per Debt Adjusted Share will be evaluated annually during the three-year performance period against their respective performance targets as determined at the beginning of each year (performance target for each calendar year to be determined prior to March 31). Performance will be measured as a percentage above or below target. 25% of the total Target Amount of RSUs will be determined based upon the three-year average Reserves Added per Debt Adjusted Share.

The three-year average performance for cash flow from operations and reserves added per debt adjusted share will be interpolated as follows to determine the final achievement percentage for each metric.

Metric	Threshold (50%)	Target (100%)	Max (150%)
Cash Flow from Operations	-10%	Plan	+10%
Reserves added per debt adjusted share	-10%	Plan	+10%

If Apache's absolute TSR for the performance period is negative, the RSU grant will be capped at target (100%), regardless of the percentage achieved.

Apache Corporation
2015 Performance Share Program Agreement

This 2015 Performance Share Program Agreement (the “Agreement”) relating to a conditional grant of Restricted Stock Units (as defined in the rules of the Apache Corporation 2011 Omnibus Equity Compensation Plan (the “Plan”) (the “Conditional Grant”), dated as of the Grant Date set forth in the Notice of Award under the 2015 Performance Share Program attached as Schedule A hereto (the “Award Notice”), is made between Apache Corporation (together with its Affiliates, the “Company”) and each Recipient. The Award Notice is included in and made part of this Agreement.

In this Agreement and each Award Notice, unless the context otherwise requires, words and expressions shall have the meanings given to them in the Plan except as herein defined.

Definitions

“409A Change of Control” means a Change of Control that constitutes, with respect to the Company, a “change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation” within the meaning of Section 409A(a)(2)(A)(v) of the Internal Revenue Code of 1986, as amended (the “Code”) and Treasury Regulations Section 1.409A-3(i)(5).

“Award Notice” means the separate notice, along with Schedule B, given to each Recipient specifying the Target Amount and other applicable performance percentage levels, performance criteria and applicable weighting percentages for that individual.

“Base Salary” means, with regard to any Recipient, such Recipient’s annual base compensation as an employee of the Company determined immediately prior to the beginning of the Performance Period, without regard to any bonus, pension, profit sharing, stock option, life insurance or salary continuation plan which the Recipient either receives or is otherwise entitled to have paid on his or her behalf.

“Conditional Grant” means the conditional entitlement, evidenced by this Agreement to receive all or a portion of a Target Amount and Final Amount, subject to and in accordance with the provisions of this Agreement.

“Disability” means total and permanent disability as determined pursuant to the Company’s Group Long-Term Disability Plan or any successor.

“Fair Market Value” means the closing price of the Stock as reported on The New York Stock Exchange, Inc. Composite Transactions Reporting System (“Composite Tape”) for a particular date or, if the Stock is not so listed at any time, as reported on NASDAQ or on such other exchange or electronic trading system as, on the date in question, reports the largest number of traded shares of stock. If there are no Stock transactions on such date, the Fair Market

Value shall be determined as of the immediately preceding date on which there were Stock transactions. If the foregoing provisions are not applicable, the fair market value of a share of the Stock shall be as determined by the Committee by the reasonable application of such reasonable valuation method, consistently applied, as the Committee deems appropriate.

"Final Amount" means with regard to any Recipient, such number of shares of Restricted Stock Units ("RSUs") as specified in each Recipient's Award Notice, times the applicable multiple factor determined under the Performance Measures at the end of the Performance Period.

"Involuntary Termination" means the termination of employment of the Recipient by the Company or its successor for any reason on or after a 409A Change of Control; provided, that the termination does not result from an act of the Recipient that (i) constitutes common-law fraud, a felony, or a gross malfeasance of duty, or (ii) is materially detrimental to the best interests of the Company or its successor.

"Payout Amount" means the vested portion of the Final Amount expressed as shares of Stock underlying the RSUs.

"Peer Group" means the group of companies selected by the Committee for purposes of this Agreement as set forth in the Award Notice. Should consolidation among any Peer Group companies in the marketplace occur during the Performance Period, the Committee will determine the appropriate adjustments to accommodate the reduced number of Peer Group companies for the Performance Period. Should a Change of Control of the Company occur during the Performance Period, the Committee will determine the appropriate adjustments to measure Apache Corporation's TSR for the Performance Period. The Peer Group companies for any particular Performance Period shall be determined at the commencement of such Performance Period.

"Performance Measures" means, as set forth in the Award Notice, (i) Apache Corporation's TSR over the Performance Period compared to the TSR of the Company's Peer Group over the Performance Period, or (ii) Apache Corporation's achievement of pre-established performance goals over the Performance Period, as applicable. For purposes of determining TSR performance, at the end of the Performance Period, the Peer Group companies and the Company will be ranked together based on their TSR for the Performance Period from the highest TSR being number 1 to the lowest TSR being the number of Peer Group companies, including the Company, remaining in the group at the end of the Performance Period. Based on the Company's relative TSR rank amongst the Peer Group companies for the Performance Period, a Recipient who remains employed as of the last day of the Performance Period will be issued RSUs at the close of the Performance Period as determined by the Company's percentile rank as set forth in the Award Notice (the Final Amount). At the end of the Performance Period, the Committee shall also determine and certify the levels of other specific performance goals achieved and apply the applicable performance percentage levels and weighting percentages as set forth in the Award Notice. Based on the Company's level of goal achievement, a Recipient who remains employed as of the last day of the Performance Period will be issued RSUs on the day following the close of the Performance Period as determined by the Committee as set forth in the Award Notice (the Final Amount).

"Performance Period" means the three-year period as specified in the Award Notice.

"Recipient" means an Eligible Person who has been designated by the Committee at the Grant Date at the beginning of the Performance Period to receive one or more Conditional Grants under the Plan. For purposes of this Agreement, the group of Eligible Persons shall include all full-time and designated part-time employees of the Company who are employed as employees of the Company (as designated by the Company for payroll purposes) on the date immediately prior to the beginning of the Performance Period, but excluding Egyptian nationals employed outside of the United States, employees categorized by the Company (for payroll purposes) as non-exempt support and field staff, leased employees, interns, or any employee of the Company who is covered under a collective bargaining agreement, unless such collective bargaining agreement specifically provides for coverage under the Plan.

"Retirement" means, with respect to a Recipient and for purposes of this Agreement, the date the Recipient terminates employment with the Company after (i) attaining age 65 and (ii) earning at least 15 Years of Service.

"Years of Service" means the total number of months from the Recipient's date of hire by the Company to the date of termination of employment divided by 12.

"Target Amount" means, with regard to any Recipient, such number of RSUs as specified in each Recipient's Award Notice. Such Target Amount shall be based upon a target percentage of annual Base Salary determined at the beginning of the Performance Period derived from job level.

"Total Shareholder Return" or "TSR" is determined by dividing (i) the sum of the cumulative amount of a company's dividends for the Performance Period (assuming same-day reinvestment into the company's common stock on the ex-dividend date) and the share price of the company at the end of the Performance Period minus the share price at the beginning of the Performance Period, by (ii) the share price at the beginning of the Performance Period.

"Voluntary Termination with Cause" occurs upon a Recipient's separation from service of his own volition and one or more of the following conditions occurs without the Recipient's consent on or after a 409A Change of Control:

(a) There is a material diminution in the Recipient's base compensation, compared to his rate of base compensation on the date of the 409A Change of Control.

(b) There is a material diminution in the Recipient's authority, duties or responsibilities.

(c) There is a material diminution in the authority, duties or responsibilities of the Recipient's supervisor, such as a requirement that the Recipient (or his supervisor) report to a corporate officer or employee instead of reporting directly to the board of directors.

(d) There is a material diminution in the budget over which the Recipient retains authority.

(e) There is a material change in the geographic location at which the Recipient must perform his service, including, for example the assignment of the Recipient to a regular workplace that is more than 50 miles from his regular workplace on the date of the 409A Change of Control.

The Recipient must notify the Company of the existence of one or more adverse conditions specified in clauses (a) through (e) above within 90 days of the initial existence of the adverse condition. The notice must be provided in writing to Apache Corporation's Executive Vice President, Human Resources or his/her delegate. The notice may be provided by personal delivery or it may be sent by email, inter-office mail, regular mail (whether or not certified), fax, or any similar method. Apache Corporation's Executive Vice President, Human Resources, or his/her delegate shall acknowledge receipt of the notice within 5 business days; the acknowledgement shall be sent to the Recipient by certified mail. Notwithstanding the foregoing provisions of this definition, if the Company remedies the adverse condition within 30 days of being notified of the adverse condition, no Voluntary Termination with Cause shall occur.

Terms

1. Conditional Grant of RSUs. Subject to the provisions of this Agreement and the provisions of the Plan and Award Notice, the Company shall conditionally grant to the Recipient, pursuant to the Plan, a right to receive the Target Amount of RSUs set forth in the Recipient's Award Notice. Such Target Amount shall be adjusted to a Final Amount at the end of the Performance Period based upon the results of the Performance Measures, as determined by the Committee. Notwithstanding the foregoing, the Target Amount shall be adjusted to a Final Amount of RSUs at the conclusion of the Performance Period solely for each Recipient who remains employed as of the last day of the Performance Period. The award of the Final Amount shall give the Recipient the right, upon vesting, to an equal number of shares of $0.625 par value common stock of the Company ("Stock").

2. Vesting and Payment of Stock. Subject to the provisions of Section 3, the Payout Amounts shall be payable in increments strictly in accordance with the following schedule:

(a) The entitlement to receive the number of shares of Stock pursuant to the RSUs comprising the Final Amount shall vest fifty percent (50%) and become transferable as of the first day following the close of the Performance Period, provided that the Recipient remains employed as an Eligible Person on such date. Such Stock, subject to applicable withholding, shall be transferred by the Company to the Recipient within thirty (30) days of the vesting date and not later than March 15 of the year following the year in which the RSUs vest.

(b) The entitlement to receive the remaining fifty percent (50%) of the shares of Stock pursuant to the RSUs comprising the Final Amount shall vest and become transferable as of the first anniversary of the first day following the close of the Performance Period, provided that the Recipient remains employed as an Eligible Person on such applicable vesting date. Such Stock, subject to applicable withholding, shall be transferred by the Company to the Recipient within thirty (30) days of the respective vesting date and not later than March 15 of the year following the year in which the RSUs vest.

3. Termination of Employment, Death, or Disability on or prior to the end of the Performance Period. Except as set forth below, a cessation of employment with the Company prior to the end of the Performance Period will result in the Target Amount being forfeited for all purposes.

(a) If the Recipient dies while employed by the Company, or on the date the Recipient becomes Disabled (as defined in this Agreement), during the Performance Period, the Recipient shall immediately receive an amount equal to the Target Amount of RSUs and shall become 100% vested in such Target Amount. Payment shall occur as soon as administratively convenient following the date the Recipient dies or becomes Disabled, but in no event shall the payment occur later than March 15 of the calendar year immediately following the calendar year in which the Recipient died or became Disabled. If the Recipient dies before receiving payment, the payment shall be made to the Recipient’s designated beneficiary, legal representatives, heirs, or legatees, as applicable. Each Recipient may designate a beneficiary on a form approved by the Committee.

4. Termination of Employment, Retirement, Death or Disability after the end of the Performance Period. Except as set forth below, each Conditional Grant shall be subject to the condition that the Recipient has remained an Eligible Person from the award of the Conditional Grant of RSUs until the applicable vesting date as follows:

(a) If the Recipient voluntarily leaves the employment of the Company (other than for reason of Retirement), or if the employment of the Recipient is terminated by the Company for any reason or no reason, any Final Amounts not previously vested shall thereafter be void and forfeited for all purposes.

(b) A Recipient shall become 100% fully vested in all Final Amounts on the date the Recipient dies while employed by the Company (or while continuing to vest pursuant to section 4(c) below), or on the date the Recipient becomes Disabled (as defined for purposes of this Agreement) while employed by the Company. Payment shall occur as soon as administratively convenient following the date the Recipient dies or becomes Disabled, but in no event shall the payment occur later than March 15 of the calendar year immediately following the calendar year in which the Recipient died or became Disabled. If the Recipient dies before receiving payment, the payment shall be made to the Recipient’s designated beneficiary, legal representatives, heirs, or legatees, as applicable. Each Recipient may designate a beneficiary on a form approved by the Committee.

(c) If the Recipient leaves the employment of the Company by reason of Retirement, any Final Amounts not previously vested may continue to vest following the Recipient’s termination of employment by reason of Retirement after the end of the Performance Period as if the Recipient remained an Eligible Person in the employ of the Company, provided that such Recipient shall be entitled to continue vesting only if such Recipient satisfies the Retirement Conditions set forth in section 6 below (except in the case of death).

5. Change of Control.

(a) Pursuant to Section 12.1(d) of the Plan, the following provisions of this section 5 of the Agreement shall supersede Sections 12.1(a), (b) and (c) of the Plan. Without any further action by the Committee or the Board, in the event of the Recipient's Involuntary Termination or Voluntary Termination with Cause which occurs (i) on or after a 409A Change of Control of the Company and (ii) prior to the end of the Performance Period, the Recipient shall become 100% fully vested upon the occurrence of his Involuntary Termination or Voluntary Termination with Cause on or after the 409A Change of Control in the number of RSUs determined by applying the multiple of 1.00 to the Target Amount. Subject to section 13(d) of this Agreement, payment shall occur within thirty (30) days of the later of (1) the date of the Involuntary Termination or Voluntary Termination with Cause of the Recipient following the 409A Change of Control or (2) the end of the Performance Period.

(b) In the event of a Recipient's Involuntary Termination or Voluntary Termination with Cause occurring on or after a 409A Change of Control of the Company which occurs after the end of the Performance Period, the Recipient shall become 100% fully vested in the Final Amount of RSUs as of the date of his Involuntary Termination or Voluntary Termination with Cause. Subject to section 13(d) of this Agreement, payment shall occur within thirty (30) days of the date of such Involuntary Termination or Voluntary Termination with Cause.

(c) In the event of a 409A Change of Control of the Company following the Recipient's termination of employment by reason of Retirement after the end of the Performance Period while the Recipient is continuing to vest pursuant to section 4(c), the Recipient shall become 100% fully vested in the unvested Final Amount of RSUs as of the date of the 409A Change of Control. Subject to section 13(d) of this Agreement, payment shall occur within thirty (30) days of the 409A Change of Control.

6. Conditions to Post-Retirement Vesting. If the Recipient has attained age 65 and has completed at least 15 Years of Service and such Recipient terminates employment with the Company and the Affiliates by reason of Retirement, it is agreed by the Company and the Recipient that:

(a) subject to the provisions of this section 6(a) and sections 6(b) and 6(c), such Recipient may continue to vest in the unvested Final Amount of RSUs following the date of his or her termination by reason of Retirement as if the Recipient continued in employment as an Eligible Person provided that the Grant Date of the unvested RSUs is at least three (3) months prior to such termination date and the Recipient has provided not less than three (3) months' advance written notice prior to such termination date to Apache Corporation's Executive Vice President, Human Resources, or his or her delegate, and to his or her direct manager, regarding the Recipient's intent to terminate employment for reason of Retirement; provided, however, a Recipient who is at least age 65 and has completed at least 15 Years of Service need not provide such three (3) months' advance written notice of his or her intent to terminate employment by reason of Retirement if the Company elects to require such Recipient to, or (as part of a reduction in force or otherwise in writing in exchange for a written release) offers such Recipient the opportunity to, terminate employment with the Company by reason of Retirement; and it is further agreed that

(b) in consideration for the continued vesting treatment afforded to the Recipient under section 6(a), Recipient shall, during the continuing Vesting Period after Retirement (the "Continued Vesting Period") refrain from becoming employed by, or consulting with, or becoming substantially involved in the business of, any business that competes with the Company or its Affiliate in the business of exploration or production of oil or natural gas within the geographic area in which the Recipient is working or has worked for the Company or its Affiliate, and/or for which the Recipient is or was responsible, at the time of termination of employment or the immediately preceding three-year period (a "Competitive Business"); provided, that the Recipient may purchase and hold for investment purposes less than five percent (5%) of the shares of any Competitive Business whose shares are regularly traded on a national securities exchange or inter-dealer quotation system, and provided further, that the Recipient may provide services solely as a director to a Competitive Business if, during the Continued Vesting Period, the Recipient is not involved directly in the day-to-day management, supervision or operations of such Competitive Business; and it is further agreed that

(c) in consideration for the continued vesting treatment afforded to the Recipient under section 6(a), Recipient shall, during the Continued Vesting Period, refrain from making, or causing or assisting any other person to make, any oral or written communication to any third party about the Company, any Affiliate and/or any of the employees, officers or directors of the Company or any Affiliate which impugns or attacks, or is otherwise critical of, the reputation, business or character of such entity or person; or that discloses private or confidential information about their business affairs; or that constitutes an intrusion into their seclusion or private lives; or that gives rise to unreasonable publicity about their private lives; or that places them in a false light before the public; or that constitutes a misappropriation of their name or likeness.

Notwithstanding the foregoing provisions of this section 6 of the Agreement, in the event that the Recipient fails to satisfy any of the conditions set forth in sections 6(a), (b) and (c) above, the Recipient shall not be entitled to vest in any unvested Final Amount of RSUs after the date of Retirement and the unvested Final Amount of RSUs subject to this Agreement shall be forfeited.

7. Prohibited Activity. In consideration for this Grant, the Recipient agrees not to engage in any "Prohibited Activity" while employed by the Company or within three years after the date of the Recipient's termination of employment. A "Prohibited Activity" will be deemed to have occurred, as determined by the Committee in its sole and absolute discretion, if the Recipient (i) divulges any non-public, confidential or proprietary information of the Company, but excluding information that (a) becomes generally available to the public other than as a result of the Recipient's public use, disclosure, or fault, or (b) becomes available to the Recipient on a non-confidential basis after the Recipient's employment termination date from a source other than the Company prior to the public use or disclosure by the Recipient, provided that such source is not bound by a confidentiality agreement or otherwise prohibited from transmitting the information by contractual, legal or fiduciary obligation, (ii) directly or indirectly, consults with or becomes affiliated with, participate or engage in, or becomes employed by any business that is competitive with the Company, wherever from time to time conducted throughout the world, including situations where the Recipient solicits or participates in or assists in any way in the solicitation or recruitment, directly or indirectly, of any employees of the Company; or (iii) engages in publishing any oral or written statements about the Company, and/or any of its

directors, officers, or employees that are disparaging, slanderous, libelous, or defamatory; or that disclose private or confidential information about their business affairs; or that constitute an intrusion into their seclusion or private lives; or that give rise to unreasonable publicity about their private lives; or that place them in a false light before the public; or that constitute a misappropriation of their name or likeness.

8. Payment and Tax Withholding. Upon receipt of any entitlement to Stock under this Agreement and, if applicable, upon the Recipient's attainment of eligibility to terminate employment by reason of Retirement pursuant to section 4(c), the Recipient shall make appropriate arrangements with the Company to provide for the amount of minimum tax withholding required by law, including without limitation Sections 3102 and 3402 or any successor section(s) of the Internal Revenue Code and applicable state and local income and other tax laws. Upon receipt of entitlement to Stock under this Agreement, each payment of the Payout Amount shall be made in shares of Stock, determined by the Committee, such that the withheld number of shares shall be sufficient to cover the withholding amount required by this Section (including any amount to cover benefit tax charges arising thereon). The payment of a Payout Amount shall be based on the Fair Market Value of the shares of Stock on the applicable date of vesting to which such tax withholding relates. Where appropriate, shares shall be withheld by the Company to satisfy applicable tax withholding requirements rather than paid directly to the Recipient.

9. No Ownership Rights Prior to Issuance of Stock. Neither the Recipient nor any other person shall become the beneficial owner of the Stock underlying the Conditional Grant, nor have any rights of a shareholder (including, without limitation, dividend and voting rights) with respect to any such Stock, unless and until and after such Stock has been actually issued to the recipient and transferred on the books and records of the Company or its agent in accordance with the terms of the Plan and this Agreement.

10. Non-Transferability of Stock. Stock issued pursuant to a Conditional Grant shall not be transferable otherwise than by will or the laws of descent and distribution, subject to the conditions and exceptions set forth in Section 14.2 of the Plan.

11. No Right to Continued Employment. Neither the RSUs or Stock issued pursuant to a Conditional Grant nor any terms contained in this Agreement shall confer upon the Recipient any express or implied right to be retained in the employment or service of the Company for any period, nor restrict in any way the right of the Company, which right is hereby expressly reserved, to terminate the Recipient's employment or service at any time for any reason or no reason. The Recipient acknowledges and agrees that any right to receive RSUs or Stock pursuant to a Conditional Grant is earned only by continuing as an employee of the Company at the will of the Company, or satisfaction of any other applicable terms and conditions contained in the Plan and this Agreement, and not through the act of being hired, being granted the Conditional Grant, or acquiring RSUs or Stock pursuant to the Conditional Grant hereunder.

12. The Plan. In consideration for this Conditional Grant, the Recipient agrees to comply with the terms of the Plan and this Agreement. This Agreement is subject to all the terms, provisions and conditions of the Plan, which are incorporated herein by reference, and to such regulations as may from time to time be adopted by the Committee. Unless defined herein,

capitalized terms are used herein as defined in the Plan. In the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall control, and this Agreement shall be deemed to be modified accordingly. The Plan and the prospectus describing the Plan can be found on the Company's HR intranet and the Plan document can be found on Fidelity's website (netbenefits.fidelity.com). A paper copy of the Plan and the prospectus shall be provided to the recipient upon the Recipient's written request to the Company at 2000 Post Oak Blvd., Suite 100, Houston, Texas 77056-4400, Attention: Corporate Secretary.

13. Compliance with Laws and Regulations.

(a) The Conditional Grant and any obligation of the Company to deliver RSUs or Stock hereunder shall be subject in all respects to (i) all applicable laws, rules and regulations and (ii) any registration, qualification, approvals or other requirements imposed by any government or regulatory agency or body which the Committee shall, in its discretion, determine to be necessary or applicable. Moreover, the Company shall not deliver any certificates for Stock to the Recipient or any other person pursuant to this Agreement if doing so would be contrary to applicable law. If at any time the Company determines, in its discretion, that the listing, registration or qualification of Stock upon any national securities exchange or under any applicable law, or the consent or approval of any governmental regulatory body, is necessary or desirable, the Company shall not be required to deliver any certificates for Stock to the Recipient or any other person pursuant to this Agreement unless and until such listing, registration, qualification, consent or approval has been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Company.

(b) It is intended that any Stock received in respect of the Conditional Grant shall have been registered under the Securities Act of 1933 ("Securities Act"). If the Recipient is an "affiliate" of the Company, as that term is defined in Rule 144 under the Securities Act ("Rule 144"), the Recipient may not sell the Stock received except in compliance with Rule 144. Certificates representing Stock issued to an "affiliate" of the Company may bear a legend setting forth such restrictions on the disposition or transfer of the Stock as the Company deems appropriate to comply with Federal and state securities laws.

(c) If, at any time, the Stock is not registered under the Securities Act, and/or there is no current prospectus in effect under the Securities Act with respect to the Stock, the Recipient shall execute, prior to the delivery of any Stock to the Recipient by the Company pursuant to this Agreement, an agreement (in such form as the Company may specify) in which the Recipient represents and warrants that the Recipient is purchasing or acquiring the Stock acquired under this Agreement for the Recipient's own account, for investment only and not with a view to the resale or distribution thereof, and represents and agrees that any subsequent offer for sale or distribution of any kind of such Stock shall be made only pursuant to either (i) a registration statement on an appropriate form under the Securities Act, which registration statement has become effective and is current with regard to the Stock being offered or sold, or (ii) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the Recipient shall, prior to any offer for sale of such Stock, obtain a prior favorable written opinion, in form and substance satisfactory to the Company, from counsel for or approved by the Company, as to the applicability of such exemption thereto.

(d) This Conditional Grant is intended to comply with, or be exempt from, the applicable requirements of Section 409A of the Code and the rules and regulations issued thereunder and shall be administered accordingly. Notwithstanding anything in this Agreement to the contrary, if the RSUs constitute "deferred compensation" under Section 409A of the Code and any RSUs become payable pursuant to the Recipient's termination of employment, settlement of the RSUs shall be delayed for a period of six months after the Recipient's termination of employment if the Recipient is a "specified employee" as defined under Code Section 409A(a)(2)(B)(i) and if required pursuant to Section 409A of the Code. If settlement of the RSUs is delayed, the RSUs shall be settled on the first day of the first calendar month following the end of the six-month delay period. If the Recipient dies during the six-month delay, the RSUs shall be settled and paid to the Recipient's designated beneficiary, legal representatives, heirs or legatees, as applicable, as soon as practicable after the date of death. Notwithstanding any provision to the contrary herein, payments made with respect to this Conditional Grant may only be made in a manner and upon an event permitted by Section 409A of the Code, and all payments to be made upon a termination of employment hereunder may only be made upon a "separation from service," as such term is defined in Section 10.1 of the Plan. This Agreement may be amended without the consent of the Recipient in any respect deemed by the Board or the Committee to be necessary in order to preserve compliance with Section 409A of the Code.

14. Notices. All notices by the Recipient or the Recipient's assignees shall be addressed to the Administrative Agent, Fidelity, through the Recipient's account at netbenefits.fidelity.com, or such other address as the Company may from time to time specify. All notices to the Recipient shall be addressed to the Recipient at the Recipient's address in the Company's records.

15. Other Plans. The Recipient acknowledges that any income derived from the Conditional Grant shall not affect the Recipient's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company or any Affiliate.

16. Terms of Employment. The Plan is a discretionary plan. The Recipient hereby acknowledges that neither the plan nor this Agreement forms part of his terms of employment and nothing in the Plan may be construed as imposing on the Company or any Affiliate a contractual obligation to offer participation in the Plan to any employee of the Company or any Affiliate. The Company or any Affiliate is under no obligation to grant further Stock to any Recipient under the Plan. The Recipient hereby acknowledges that if he ceases to be an employee of the Company or any Affiliate for any reason or no reason, he shall not be entitled by way of compensation for loss of office or otherwise howsoever to any sum.

17. Data Protection. By accepting this Agreement (whether by electronic means or otherwise), the Recipient hereby consents to the holding and processing of personal data provided by him to the Company for all purposes necessary for the operation of the Plan. These include, but are not limited to:

(a) administering and maintaining Recipient records;

(b) providing information to any registrars, brokers or third party administrators of the Plan; and

(c) providing information to future purchasers of the Company or the business in which the Recipient works.

18. Severability. If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall nevertheless remain in full force and effect, and if any provision is held invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances, to the fullest extent permitted by law.

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SCHEDULE A

Apache Corporation
2015 Long Term Cash Performance Program
For
Stephen J. Riney

AWARD NOTICE

Recipient Name:	Stephen J. Riney
Company:	Apache Corporation
Type of Award:	A conditional performance award based on a target percentage of annual base salary determined as of the Grant Date (the **"**Conditional Grant**"**).
Target Amount:	210% of Base Salary
Grant Date:	February 19, 2015
Conditions:	Subject always to the terms of the Agreement, the Conditional Grant shall be made as of the Grant Date. At the end of the Performance Period, the Committee shall derive and confirm the Final Amount based upon measurement of the specific performance goals, applicable performance percentage levels and applicable weighting percentages during the Performance Period as set forth in Schedule B to the Agreement, provided that the Recipient remains employed by the Company or an Affiliate as of the final day of the Performance Period. Payment of the Final Amount shall be subject to a vesting schedule as set forth below (the "Vesting Period"). Once vested, the Recipient shall be paid the applicable value of his or her vested cash award (subject to applicable withholdings) provided that the Recipient remains employed as an employee of the Company or an Affiliate during the Vesting Period including the respective vesting date.
Performance Measures:	The performance measures for the Conditional Grant, the performance percentage levels, and the applicable weighting percentages to be applied over the Performance Period are set forth on Schedule B to the Agreement. At the end of the Performance Period, the Committee shall determine the attainment of each performance goal based on the established performance percentage levels and apply the applicable weighting percentages to determine the Final Amount to be awarded to the Recipient.
Performance Period:	The three-year period commencing January 1, 2015 and ending December 31, 2017.

Vesting Period:	Except upon a change of control (as defined in the Agreement), death, or total and permanent disability (as defined in the Agreement), cessation of employment during the Performance Period shall result in the immediate forfeiture of the entire amount of the Conditional Grant. Any Final Amount shall vest in accordance with the schedule set forth in Section 2 of the Agreement. Vesting is accelerated to 100% upon the Recipient's death or total and permanent Disability during the Performance Period or the subsequent Vesting Period. Upon death or total and permanent Disability during the Performance Period, the Final Amount shall be determined by applying the multiple of 1.00 to the Target Amount. In addition, vesting is accelerated to 100% upon a Recipient's Involuntary Termination or Voluntary Termination with Cause occurring (i) on or after a 409A Change of Control during the Vesting Period provided that the Recipient is an employee of the Company at the time of such termination and (ii) after completion of the Performance Period. In the event of the Recipient's Involuntary Termination or Voluntary Termination with Cause which occurs (i) on or after a 409A Change of Control of the Company and (ii) on or prior to the end of the Performance Period, the Recipient will become 100% fully vested upon the occurrence of his Involuntary Termination or Voluntary Termination with Cause on or after the 409A Change of Control in the Final Amount determined by applying the multiple of 1.00 to the Target Amount.
Withholding:	The Company and the Recipient will comply with all federal and state laws and regulations respecting the required withholding, deposit and payment of any income, employment or other taxes relating to any Payout Amount.
Share Purchase:	Recipient agrees and covenants that upon receipt of each cash payment pursuant to this Agreement, Recipient shall invest the same into Apache common stock as soon as practicable after receipt of the cash amounts; provided, however, Recipient may delay such stock purchases (i) if a black-out period is then in effect at the Company, until the expiration of such blackout period; (ii) if he is aware of any material non-public information at the time of the receipt of any cash payment, until such information has been made public; and (iii) if he has sold any Apache common stock in a non-exempt transaction within six months prior to Recipient's receipt of such cash payment, until such six month period has expired in order to avoid any issues with the short-swing profit recovery provisions of Section 16(b) of the Securities and Exchange Act of 1934.

Acceptance	Please sign the Agreement as promptly as possible and return the signed Agreement to Apache Corporation's Executive Vice President, Human Resources to accept or reject your Conditional Grant. By accepting your Conditional Grant, you will have agreed to the terms and conditions set forth in the Agreement. If you do not accept your grant you will be unable to receive your Conditional Grant or any related cash payments.

SCHEDULE B

Apache Corporation
2015 Long Term Cash Performance Program
For
Stephen J. Riney

PERFORMANCE MEASURES

Performance Goals: ***1. Total Shareholder Return***

At the end of the Performance Period, the Committee shall derive and confirm a portion of the cash award that will be eligible for payment to the Recipient based upon measurement of total shareholder return ("TSR") of Stock as compared to a designated Peer Group during the Performance Period, provided that the Recipient remains employed by the Company or an Affiliate as of the final day of the Performance Period.

TSR is determined by dividing (i) the sum of the cumulative amount of a company's dividends for the performance period (assuming same-day reinvestment into the company's common stock on the ex-dividend date) and the share price of the company at the end of the performance period minus the share price at the beginning of the performance period by (ii) the share price at the beginning of the performance period.

- <u>Begin Price</u> = Average per share closing price of a share or share equivalent on the applicable stock exchange for the 60 business (trading) days preceding the beginning of the performance period
- <u>End Price</u> = Average per share closing price of a share or share equivalent on the applicable stock exchange for the last 60 business (trading) days of the performance period
- <u>Dividends</u> = Includes dividends paid throughout performance period
- TSR ranking compared to designated Peer Group (11 companies selected)
  - Anadarko Petroleum Corporation
  - Chesapeake Energy Corporation
  - ConocoPhillips Company
  - Devon Energy Corporation
  - EOG Resources, Inc.

- Hess Corporation
- Marathon Oil Corporation
- Murphy Oil Corporation
- Noble Energy Inc.
- Occidental Petroleum Corporation
- Pioneer Natural Resources Co.

- Apache Corporation's performance over a three-year performance period will be directly ranked within the peer group, resulting in the application of a single multiplier to the Target Amount to derive the amount of cash bonus awarded. The multiplier will range from 0 for performance in the bottom quartile to 1.5 for ranking in the top quartile among the Peer Group.
- Should consolidation among peers in the marketplace occur, the ranking schedule would adjust to accommodate the reduced number of peers.

2. Business Performance

At the end of the Performance Period, the Committee shall derive and confirm a portion of the cash award that will be eligible for payment to the Recipient based upon quantitative performance measures related to the following criteria:

- Cash Flow from Operations; and
- Reserves Added per Debt Adjusted Share

The Committee will consider all of the above performance measures related to the Company as a whole as follows:

Metric	Weighting	Threshold	Target	Max
Total Shareholder Return	50%	9th	Between 6th - 7th	1st – 3rd
Cash Flow from Operations	25%	-10%	Plan	+10%
Reserves added per debt adjusted share	25%	-10%	Plan	+10%

Performance Period: Three calendar years

- 1/1/2015 to 12/31/17

Measurement: At the conclusion of the three-year performance period, a calculation of TSR performance will be made and confirmed. 50% of the total Target Amount will be determined based upon the final TSR performance as follows:

Rank Against Peers	Payout Multiple
1	1.50
2	1.50
3	1.50
4	1.30
5	1.20
6	1.10
7	0.90
8	0.80
9	0.70
10	0.00
11	0.00
12	0.00

Cash Flow from Operations will be evaluated annually during the three-year performance period against their respective performance targets as determined at the beginning of each year (performance target for each calendar year to be determined prior to March 31). Performance will be measured as a percentage above or below target. 25% of the total Target Amount will be determined based upon the three-year average of the Cash Flow from Operations performance.

Reserves Added per Debt Adjusted Share will be evaluated annually during the three-year performance period against their respective performance targets as determined at the beginning of each year (performance target for each calendar year to be determined prior to March 31). Performance will be measured as a percentage above or below target. 25% of the total Target Amount will be determined based upon the three-year average Reserves Added per Debt Adjusted Share.

The three-year average performance for Cash Flow from Operations and Reserves Added per Debt Adjusted Share will be interpolated as follows to determine the final achievement percentage for each metric.

Metric	**Threshold (50%)**	**Target (100%)**	**Max (150%)**
Cash Flow from Operations	-10%	Plan	+10%
Reserves added per debt adjusted share	-10%	Plan	+10%

If Apache Corporation's absolute TSR for the performance period is negative, the Final Amount will be capped at target (100%), regardless of the percentage achieved.

Following the calculation of performance achievement, a stock price modifier will be applied to the cash amount upon vesting as follows:

- *January 1, 2018 Stock Price Modifier:*
  Apache closing stock price on 1/1/18
  $67.05*
- *January 1, 2019 Stock Price Modifier:*
  Apache closing stock price on 1/1/19
  $67.05*

* *Closing stock price on 2/13/15.*

Apache Corporation
2015 Long Term Cash Performance Program Agreement
for
Stephen J. Riney

This 2015 Long Term Cash Performance Program Agreement (the "Agreement") relating to a conditional cash performance award dated as of the Grant Date set forth in the Notice of Award under the Agreement attached as Schedule A hereto (the "Award Notice"), is made between Apache Corporation, a Delaware corporation (together with its Affiliates, the "Company," except where the context otherwise requires) and Stephen J. Riney (the "Recipient"). The Award Notice (Schedule A) and Schedule B (Performance Measures) are included in and made part of this Agreement.

Definitions

"409A Change of Control" means a Change of Control that constitutes, with respect to the Company, a "change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets of the corporation" within the meaning of Section 409A(a)(2)(A)(v) of the Internal Revenue Coe of 1986, as amended (the "Code") and Treasury Regulations Section 1.409A-3(i)(5).

"2011 Omnibus Plan" means the Apache Corporation 2011 Omnibus Equity Compensation Plan as amended and restated effective February 23, 2014, as it may be further amended and restated from time to time.

"Affiliate" means any entity other than the Company that is affiliated with the Company through stock or equity ownership or otherwise and is designated as an Affiliate for purposes of the 2011 Omnibus Plan.

"Award Notice" means the separate notice (Schedule A), along with the Performance Measures set forth in Schedule B, provided to the Recipient specifying the Target Amount and other applicable performance percentage levels, performance criteria and applicable weighting percentages for that individual.

"Base Salary" means, with regard to the Recipient, such Recipient's annual base compensation as an employee of the Company in effect on the Grant Date, without regard to any bonus, pension, profit sharing, stock option, life insurance or salary continuation plan which the Recipient either receives or is otherwise entitled to have paid on his or her behalf.

"Board" means the Board of Directors of Apache Corporation.

"Change of Control" has the meaning assigned to such term in the Company's Income Continuance Plan as in effect on the Grant Date.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Management Development and Compensation Committee.

"Conditional Grant" means the conditional entitlement, evidenced by this Agreement to receive all or a portion of a Target Amount and Final Amount, subject to and in accordance with the provisions of this Agreement.

"Disability" means total and permanent disability as determined pursuant to the Company's Group Long-Term Disability Plan or any successor.

"Final Amount" means with regard to the Recipient, the final amount of earned award, based on the Target Amount and applicable multiple factors, as determined under the Performance Measures at the end of the Performance Period.

"Involuntary Termination" means the termination of employment of the Recipient by the Company or its successor for any reason on or after a 409A Change of Control; provided, that the termination does not result from an act of the Recipient that (i) constitutes common-law fraud, a felony, or a gross malfeasance of duty, or (ii) is materially detrimental to the best interests of the Company or its successor.

"Payout Amount" means the vested portion of the Final Amount.

"Peer Group" means the group of companies selected by the Committee for purposes of this Agreement as set forth in the Award Notice. Should consolidation among any Peer Group companies in the marketplace occur during the Performance Period, the Committee will determine the appropriate adjustments to accommodate the reduced number of Peer Group companies for the Performance Period. Should a Change of Control of the Company occur during the Performance Period, the Committee will determine the appropriate adjustments to measure Apache Corporation's TSR for the Performance Period. The Peer Group companies for any particular Performance Period shall be determined at the commencement of such Performance Period.

"Performance Measure(s)" means, as applicable, (i) Apache Corporation's TSR over the Performance Period compared to the TSR of the Peer Group over the Performance Period or (ii) Apache Corporation's achievement of pre-established performance goals over the Performance Period, as set forth in the Award Notice and Schedule B. For purposes of determining TSR, at the end of the Performance Period, the Peer Group companies and Apache Corporation will be ranked together based on their TSR for the Performance Period from the highest TSR being number 1 to the lowest TSR being the number of Peer Group companies, including Apache Corporation, remaining in the group at the end of the Performance Period. Based on Apache Corporation's relative TSR rank amongst the Peer Group companies for the Performance Period, a Recipient who remains employed as of the last day of the Performance Period may earn a portion of the Final Amount at the close of the Performance Period as determined by Apache Corporation's percentile rank as set forth in the Award Notice and Schedule B. At the end of the Performance Period, the Committee shall also determine the levels of the other specific performance goals achieved and apply the applicable performance percentage levels and weighting percentages as set forth in the Award Notice and Schedule B with respect to the designated portion of the Target Amount. Based on the Company's level of goal achievement, a Recipient who remains employed as of the last day of the Performance Period will be eligible to receive a cash payment after the close of the Performance Period as determined by the Committee as set forth in the Award Notice and Schedule B (the Final Amount).

"Performance Period" means the three-year period as specified in the Award Notice.

"Recipient" means Stephen J. Riney.

"Stock" means the $0.625 par value common stock of the Company and or any security into which such common stock is converted or exchanged upon merger, consolidation, or any capital restructuring (within the meaning of the 2011 Omnibus Plan) of the Company.

"Target Amount" means, with regard to the Recipient, the percentage of Base Salary as specified in the Recipient's Award Notice.

"Total Shareholder Return" or "TSR" is determined by dividing (i) the sum of the cumulative amount of a company's dividends for the Performance Period (assuming same-day reinvestment into the company's common stock on the ex-dividend date) and the share price of the company at the end of the Performance Period minus the share price at the beginning of the Performance Period, by (ii) the share price at the beginning of the Performance Period.

"Voluntary Termination with Cause" occurs upon a Recipient's separation from service from the Company of his own volition and one or more of the following conditions occurs without the Recipient's consent on or after a 409A Change of Control:

(a) There is a material diminution in the Recipient's base compensation, compared to his rate of base compensation on the date of the 409A Change of Control.

(b) There is a material diminution in the Recipient's authority, duties or responsibilities.

(c) There is a material diminution in the authority, duties or responsibilities of the Recipient's supervisor, such as a requirement that the Recipient (or his supervisor) report to a corporate officer or employee instead of reporting directly to the board of directors.

(d) There is a material diminution in the budget over which the Recipient retains authority.

(e) There is a material change in the geographic location at which the Recipient must perform his service, including, for example the assignment of the Recipient to a regular workplace that is more than 50 miles from his regular workplace on the date of the 409A Change of Control.

The Recipient must notify the Company of the existence of one or more adverse conditions specified in clauses (a) through (e) above within 90 days of the initial existence of the adverse condition. The notice must be provided in writing to Apache Corporation's Executive Vice President, Human Resources or his/her delegate. The notice may be provided by personal delivery or it may be sent by email, inter-office mail, regular mail (whether or not certified), fax, or any similar method. Apache Corporation's Executive Vice President, Human Resources or his/her delegate shall acknowledge receipt of the notice within 5 business days; the acknowledgement shall be sent to the Recipient by certified mail. Notwithstanding the foregoing provisions of this definition, if the Company remedies the adverse condition within 30 days of being notified of the adverse condition, no Voluntary Termination with Cause shall occur.

Terms

1. Conditional Grant. Subject to the provisions of this Agreement and the provisions of the Award Notice, the Company shall conditionally grant to the Recipient a right to receive, as a cash award, the Target Amount set forth in the Recipient's Award Notice. Such Target Amount shall be adjusted to a Final Amount at the end of the Performance Period based upon the results of the Performance Measures, as determined by the Committee. Notwithstanding the foregoing, the Target Amount shall be adjusted to a Final Amount at the conclusion of the Performance Period solely if the Recipient remains employed as of the last day of the Performance Period. The award of the Final Amount shall give the Recipient the right, upon vesting, to a cash payment.

2. Vesting and Payment. Subject to the provisions of Section 3 below, the Payout Amounts shall be payable in increments strictly in accordance with the following schedule:

(a) The entitlement to receive the cash equal to the Final Amount shall vest fifty percent (50%) and become payable on the first day following the last day of the Performance Period provided that the Recipient remains employed by the Company on such date (the "First Vesting Date"). Such cash payment, subject to applicable withholding, shall be paid by the Company to the Recipient within thirty (30) days of the Final Amount determination and in no event later than March 15 of the year following the year in which such cash payment vests.

(b) The entitlement to receive the remaining fifty percent (50%) of the Final Amount shall vest and become payable on the first anniversary of the First Vesting Date, provided that the Recipient remains employed by the Company on such applicable vesting date. Such cash payment, subject to applicable withholding, shall be paid by the Company to the Recipient within thirty (30) days of the respective vesting date and in no event later than March 15 of the year following the year in which such cash payment vests.

3. Termination of Employment, Death, or Disability on or prior to the end of the Performance Period. Except as set forth below, a cessation of employment with the Company prior to the end of the Performance Period will result in the Target Amount being forfeited for all purposes.

(a) If the Recipient dies while employed by the Company, or on the date the Recipient becomes Disabled (as defined in this Agreement), during the Performance Period, the Recipient shall immediately be entitled to a cash amount equal to the Target Amount and shall become 100% vested in such Target Amount. Payment shall occur as soon as administratively convenient following the date the Recipient dies or becomes Disabled, but in no event shall the payment occur later than March 15 of the calendar year immediately following the calendar year in which the Recipient died or became Disabled. If the Recipient dies before receiving payment, the payment shall be made to the Recipient's designated beneficiary, legal representatives, heirs, or legatees, as applicable. The Recipient may designate a beneficiary. If no such designation is made, the beneficiary shall be the Recipient's estate.

4. Termination of Employment, Death or Disability after the end of the Performance Period. Except as set forth below, any cash award shall be subject to the condition that the Recipient has remained an employee of the Company from the initial award date until the applicable vesting date as follows:

(a) If the Recipient voluntarily leaves the employment of the Company, or if the employment of the Recipient is terminated by the Company for any reason or no reason, any Final Amounts not previously vested shall thereafter be void and forfeited for all purposes.

(b) A Recipient shall become 100% fully vested in all Final Amounts on the date the Recipient dies while employed by the Company (or while continuing to vest pursuant to section 4(c) below), or on the date the Recipient becomes Disabled (as defined for purposes of this Agreement) while employed by the Company. Payment shall occur as soon as administratively convenient following the date the Recipient dies or becomes Disabled, but in no event shall the payment occur later than March 15 of the calendar year immediately following the calendar year in which the Recipient died or became Disabled. If the Recipient dies before receiving payment, the payment shall be made to the Recipient's designated beneficiary, legal representatives, heirs, or legatees, as applicable. The Recipient may designate a beneficiary. If no such designation is made, the beneficiary shall be the Recipient's estate.

5. Change of Control.

(a) Without any further action by the Committee or the Board, in the event of the Recipient's Involuntary Termination or Voluntary Termination with Cause which occurs (i) on or after a 409A Change of Control of the Company and (ii) prior to the end of the Performance Period, the Recipient shall become 100% fully vested upon the occurrence of his Involuntary Termination or Voluntary Termination with Cause on or after the 409A Change of Control in the Target Amount. Subject to section 11(b) of this Agreement, payment shall occur within thirty (30) days of the later of (1) the date of the Involuntary Termination or Voluntary Termination with Cause of the Recipient following the 409A Change of Control or (2) the end of the Performance Period.

(b) In the event of a Recipient's Involuntary Termination or Voluntary Termination with Cause occurring on or after a 409A Change of Control of the Company which occurs after the end of the Performance Period, the Recipient shall become 100% fully vested in the Final Amount as of the date of his Involuntary Termination or Voluntary Termination with Cause. Subject to section 11(b) of this Agreement, payment shall occur within thirty (30) days of the date of such Involuntary Termination or Voluntary Termination with Cause.

6. Prohibited Activity. In consideration for this Conditional Grant, the Recipient agrees not to engage in any "Prohibited Activity" while employed by the Company or within three years after the date of the Recipient's termination of employment. A "Prohibited Activity" will be deemed to have occurred, as determined by the Committee in its sole and absolute discretion, if the Recipient (i) divulges any non-public, confidential or proprietary information of the Company, but excluding information that (a) becomes generally available to the public other than as a result of the Recipient's public use, disclosure, or fault, or (b) becomes available to the Recipient on a non-confidential basis after the Recipient's employment termination date from a source other than the Company prior to the public use or disclosure by the Recipient, provided that such source is not bound by a confidentiality agreement or otherwise prohibited from transmitting the information by contractual, legal or fiduciary obligation, (ii) directly or indirectly, consults with or becomes affiliated with, participate or engage in, or becomes employed by any business that is competitive with the Company, wherever from time to time conducted throughout the world, including situations where the Recipient solicits or participates in or assists in any way in the solicitation or recruitment, directly or indirectly, of any employees

of the Company; or (iii) engages in publishing any oral or written statements about the Company, and/or any of its directors, officers, or employees that are disparaging, slanderous, libelous, or defamatory; or that disclose private or confidential information about their business affairs; or that constitute an intrusion into their seclusion or private lives; or that give rise to unreasonable publicity about their private lives; or that place them in a false light before the public; or that constitute a misappropriation of their name or likeness.

7. Payment and Tax Withholding. Upon receipt of any entitlement to payment under this Agreement, applicable withholding required by law, including applicable federal, state and local income and other tax laws, shall be made. Upon entitlement to payment under this Agreement, each payment of the Payout Amount shall be made in cash, net of such applicable withholdings.

8. Share Purchase. Recipient agrees and covenants that upon receipt of each cash payment pursuant to this Agreement, Recipient shall invest the same into Apache common stock as soon as practicable after receipt of the cash amounts; provided, however, Recipient may delay such stock purchases (i) if a black-out period is then in effect at the Company, until the expiration of such blackout period; (ii) if he is aware of any material non-public information at the time of the receipt of any cash payment, until such information has been made public; and (iii) if he has sold any Apache common stock in a non-exempt transaction within six months prior to Recipient's receipt of such cash payment, until such six month period has expired in order to avoid any issues with the short-swing profit recovery provisions of Section 16(b) of the Securities and Exchange Act of 1934.

9. No Right to Continued Employment. Neither the award made hereunder nor any terms contained in this Agreement shall confer upon the Recipient any express or implied right to be retained in the employment or service of the Company for any period, nor restrict in any way the right of the Company, which right is hereby expressly reserved, to terminate the Recipient's employment or service at any time for any reason or no reason. The Recipient acknowledges and agrees that any right to receive payment hereunder is earned only by continuing as an employee of the Company at the will of the Company, or satisfaction of any other applicable terms and conditions contained in this Agreement, and not through the act of being hired or being granted the award.

10. The Agreement. In consideration for this conditional award, the Recipient agrees to comply with the terms of this Agreement.

11. Compliance with Laws and Regulations.

(a) The Conditional Grant and any obligation of the Company to deliver cash payments hereunder shall be subject in all respects to all applicable laws, rules and regulations.

(b) This Conditional Grant is intended to comply with, or be exempt from, the applicable requirements of Section 409A of the Code and the rules and regulations issued thereunder and shall be administered accordingly. Notwithstanding anything in this Agreement to the contrary, if the payments hereunder constitute "deferred compensation" under Section 409A of the Code and any cash payment becomes payable pursuant to the Recipient's termination of employment, settlement of any cash payment shall be delayed for a period of six months after the Recipient's termination of employment if the Recipient is a "specified employee” as defined under Code Section 409A(a)(2)(B)(i) and if required pursuant to Section 409A of the Code. If cash payment is delayed, the cash payment shall be made on the first day of the first calendar month following the end of the six-month delay period. If the Recipient dies during the six-month delay, the cash payment shall be paid to the Recipient’s designated beneficiary, legal representatives, heirs or legatees, as applicable, as soon as practicable after the date of death. Notwithstanding any provision to the contrary herein, payments made with respect to this Conditional Grant may only be made in a manner and upon an event permitted by Section 409A of the Code, to the extent applicable, and all payments to be made upon a termination of employment hereunder may only be made upon a “separation from service,” as such term is defined for purposes of Code Section 409A and Treasury Regulation Section 1.409A-1(h). Each payment made under this Agreement shall be treated as a “separate payment”, as defined in Treasury Regulation Section 1.409A-2(b)(2), for purposes of Code Section 409A. Further, notwithstanding anything to the contrary, all payments payable under the provisions of this Agreement shall be paid to the Recipient no later than the last day of the second calendar year following the calendar year in which occurs the date of Recipient’s termination of employment. None of the payments under this Agreement are intended to result in the inclusion in Recipient’s federal gross income on account of a failure under Section 409A(a)(1) of the Code. The parties intend to administer and interpret this Agreement to carry out such intentions. However, the Company does not represent, warrant or guarantee that any payments that may be made pursuant to this Agreement will not result in inclusion in Recipient’s gross income, or any penalty, pursuant to Section 409A(a)(1) of the Code or any similar state statute or regulation. This Agreement may be amended without the consent of the Recipient in any respect deemed by the Board or the Committee to be necessary in order to preserve compliance with Section 409A of the Code.

12. Notices. All notices by the Recipient or the Recipient’s assignees shall be addressed to Apache Corporation’s Executive Vice President, Human Resources. All notices to the Recipient shall be addressed to the Recipient at the Recipient’s address in the Company’s records.

13. Other Plans. The Recipient acknowledges that any income derived from the Conditional Grant shall not affect the Recipient’s participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company or any Affiliate.

14. Terms of Employment. The Company or any Affiliate is under no obligation to grant further awards to the Recipient. The Recipient hereby acknowledges that if he ceases to be an employee of the Company or any Affiliate for any reason or no reason, he shall not be entitled by way of compensation for loss of office or otherwise howsoever to any sum.

15. Data Protection. By accepting this Agreement (whether by electronic means or otherwise), the Recipient hereby consents to the holding and processing of personal data provided by him to the Company for all purposes necessary for the operation of the Agreement. These include, but are not limited to:

(a) administering and maintaining Recipient records;

(b) providing information to any third party administrators of the arrangement under the Agreement; and

(c) providing information to future purchasers of the Company or the business in which the Recipient works.

16. Severability. If any provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall nevertheless remain in full force and effect, and if any provision is held invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances, to the fullest extent permitted by law.

17. Source of Payments. All payments provided under this Agreement shall be paid in cash from the general assets of the Company, and no special or separate fund shall be established, and no other segregation of assets shall be made, to assure payment. The Recipient shall have no right, title or interest whatsoever in or to any investments which the Company may make to aid the Company in meeting its obligations hereunder. To the extent that any person acquires a right to receive payments from the Company hereunder, such right shall be no greater than the right of an unsecured creditor of the Company.

18. Assignment; Binding Effect.

(a) By the Recipient. This Agreement and any and all rights, duties, obligations or interests hereunder shall not be assignable or delegable by the Recipient.

(b) By the Company. This Agreement and all of the Company's rights and obligations hereunder shall not be assignable by the Company except as incident to a reorganization, merger or consolidation, or transfer of all or substantially all of the Company's assets.

(c) Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, any successors to or assigns of the Company and the Recipient's heirs and the personal representatives of the Recipient's estate.

19. Number and Gender. Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders.

20. Section Headings. The section headings of, and titles of paragraphs and subparagraphs contained in, this Agreement are for the purpose of convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation thereof.

21. Modifications, Waivers. This Agreement may not be amended, modified or changed (in whole or in part), except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

22. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

23. Administration. The Agreement shall be administered by the Committee or its delegate. The Recipient hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee with respect to any claims relating to this Agreement.

24. Governing Law. This Agreement, and all questions relating to its validity, interpretation, performance and enforcement, as well as the legal relations hereby created between the parties hereto, shall be governed by and construed under, and interpreted and enforced in accordance with, the laws of the State of Texas.

25. Entire Agreement. The parties agree that the terms of this Agreement are intended to be the final expression of their agreement with respect to the subject matter of this Agreement and may not be contradicted by evidence of any prior or contemporaneous Agreement.

*****

(signature page follows)

IN WITNESS WHEREOF, Apache Corporation has caused this Agreement to be executed under seal by its duly authorized officer and the Recipient has executed this Agreement effective as of the Grant Date.

APACHE CORPORATION

By: /s/ Margery M. Harris

Print Name: Margery M. Harris
Title: Executive Vice President, Human Resources

AGREED AND ACCEPTED:

RECIPIENT

By: /s/ Stephen J. Riney
Stephen J. Riney

Date: 4/8/15

Restricted Stock Unit Award Agreement

Schedule A

Notice of Restricted Stock Unit Award

Company:	Apache Corporation
Participant:	John J. Christmann
Notice:	You have been granted an Award of Restricted Stock Units in accordance with the terms of the Plan and the attached Restricted Stock Unit Award Agreement.
Type of Award:	Restricted Stock Units
Number of Units:	50,000
Restriction:	Except as set forth in Section 3 of the attached Restricted Stock Award Agreement, the Shares received in settlement of Restricted Stock Units pursuant to this Award are not eligible for sale by the Participant until such time as the Participant retires from his duties as an officer of the Company.
Vesting:	12,500 on March 1, 2016 12,500 on February 18, 2017 12,500 on February 18, 2018 12,500 on February 18, 2019
Plan:	Apache Corporation 2011 Omnibus Equity Compensation Plan
Award Date:	February 18, 2015
Acceptance:	Please execute the attached Restricted Stock Unit Award Agreement. By accepting your Restricted Stock Unit Award, you will have agreed to the terms and conditions set forth in this Agreement, including, but not limited to, the non-compete and non-disparagement provisions set forth in sections 9 and 10 of the Agreement, and the terms and conditions of the Plan. If you do not accept your Award by executing this Agreement, you will be unable to receive your shares.

Restricted Stock Unit Award Agreement

This Restricted Stock Unit Award Agreement (this “Agreement”), dated as of the Award Date set forth in the Notice of Restricted Stock Unit Award attached as Schedule A hereto (the “Award Notice”) is made between Apache Corporation (the “Company”) and the Participant named in the Award Notice. The Award Notice is included in and made part of this Agreement.

Definitions

All capitalized terms contained in this Agreement shall have the meanings assigned to those terms by the Plan, unless otherwise indicated herein.

Terms

1. Award of Restricted Stock Units. Subject to the provisions of this Agreement and the provisions of the Apache Corporation 2011 Omnibus Equity Compensation Plan (the “Plan”), the Company hereby awards to the Participant, pursuant to the Plan, a right to receive the number of shares of $0.625 par value Common Stock of the Company (“Shares”) set forth in the Award Notice.

2. Evidence of Units. The Participant’s right to receive the Restricted Stock Units shall be evidenced by book entry registration (or by such other manner as the Committee may determine).

3. Restrictions. 7,500 of the Shares vesting each year pursuant to this Agreement and the Plan shall be subject to the restriction that none of such shares shall be eligible to be sold by the Participant until such time as the Participant retires or otherwise terminates employment with the Company. The remaining 5,000 Shares vesting each year shall vest free of restrictions, except those, if any, required by applicable securities laws, and may be sold at any time to pay taxes or for other reasons. Certificates representing the restricted 7,500 Shares issued each year will bear all legends required by law or by the Company or its counsel as necessary or advisable to effectuate the provisions of the Plan and this Award including the following restrictive legend:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE RESTRICTIONS CONTAINED IN A RESTRICTED STOCK UNIT AWARD AGREEMENT DATED AS OF FEBRUARY 18, 2015, BY AND BETWEEN APACHE CORPORATION AND JOHN J. CHRISTMANN, A COPY OF WHICH IS ON FILE AT THE OFFICE OF THE CORPORATE SECRETARY OF THE COMPANY.

4. Certificates. The Company may place a “stop transfer” order against shares of the Common Stock issued pursuant to this Award until all restrictions and conditions set forth in the Plan or this Agreement and in the legends referred to in Section 3 have been complied with. The stock transfer records of the Company will reflect stock transfer instructions with respect to such shares.

5. Custody. Any stock certificates issued pursuant to this Agreement shall be held by the Corporate Secretary of the Company until all restrictions thereon have lapsed or until the Committee authorizes the release.

6. Vesting and Settlement. Subject to earlier settlement or forfeiture as provided in Section 8 and any deferral election under Section 7, Restricted Stock Units awarded hereunder shall vest in accordance with the following table.

Tranche	Number of Units	Vesting Date
I	12,500	March 1, 2016
II	12,500	February 18, 2017
III	12,500	February 18, 2018
IV	12,500	February 18, 2019

The Restricted Stock Units shall be settled in an equivalent number of shares of Common Stock on the date on which such Restricted Stock Units vest. The Company shall not be obligated to deliver any shares of Common Stock if counsel to the Company determines that such sale or delivery would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which the Common Stock is listed or quoted. The Company shall in no event be obligated to take any affirmative action in order to cause the delivery of shares of Common Stock to comply with any such law, rule, regulation or agreement.

7. Deferral Election. The Participant may, within 30 days of the Award Date and in accordance with the terms and conditions of the Deferred Delivery Plan, elect to defer receipt of Shares that would otherwise be issued on a Vesting Date in settlement of all or any part of a Tranche of Restricted Stock Units. If the Participant makes such an election, effective as of the applicable Vesting Date, each Restricted Stock Unit so deferred shall thereafter be a Stock Unit (as defined in the Deferred Delivery Plan) and settlement of the Stock Units shall be in accordance with the Deferred Delivery Plan except that the restrictions in Section 3 shall continue to apply to any shares of Common Stock issued in settlement of the Stock Units until such restrictions would have expired had such shares been issued in settlement of the Restricted Stock Units. Any such deferral of less than 100 percent of the Shares shall apply on a pro rata basis to both Shares subject to the restriction against sales and those Shares not subject to restriction.

8. Termination of Employment, Death, Disability, etc. Except as set forth below, this Agreement and each Award shall be subject to the condition that the Participant has remained employed by the Company as an Eligible Employee from the initial award of an Award until the applicable Vesting Date as follows:

(a) If the Participant voluntarily leaves the employment of the Company (but not for Good Reason or Retirement) or is terminated by the Company for Cause before an applicable Vesting Date, all Restricted Stock Units not already vested shall be immediately cancelled.

(b) If the Participant leaves the employment of the Company by reason of Retirement or Disability, any Restricted Stock Units granted to the Participant pursuant to the Grant Notice not previously vested may continue to vest following the Participant's termination of employment by reason of Retirement or Disability as if the Participant remained an Eligible Person in the employ of the Company, provided that such Participant shall be entitled to continue vesting only if such Participant satisfies the applicable conditions set forth in section 9 below (except in the case of death).

(c) If the Participant dies before an applicable Vesting Date, the Restricted Stock Units shall thereupon vest, the restrictions in Section 3 shall lapse and the then vested Restricted Stock Units shall be settled as soon as administratively practicable following the date the Participant dies. If the Participant dies before settlement, settlement shall be made to the beneficiary designated for this purpose in the manner prescribed by the Committee, or, if there is no such beneficiary, to the estate of the Participant.

(d) If the Participant is terminated by the Company without Cause and not by reason of becoming Disabled or if the Participant terminates his employment for Good Reason, then all Restricted Stock Units shall thereupon vest, the restrictions in Section 3 shall lapse, and, subject to the terms of the Deferred Delivery Plan, if applicable, the Restricted Stock Units shall be settled as soon as administratively practicable following the date the Participant's employment is terminated.

(e) Notwithstanding Section 12 of the Plan or subsections 8(a), 8(b), 8(c), or 8(d) of this Agreement, if the Participant is either employed by the Company or has incurred a Retirement and is not fully vested in his Restricted Stock Units when a Change of Control that is described in Section 409A(a)(2)(A)(v) of the Internal Revenue Code occurs, any unvested Restricted Stock Units shall vest, the restrictions in Section 3 shall lapse, and settlement of the newly vested Restricted Stock Units shall occur on the date of such Change of Control or as soon thereafter as is administratively practicable.

For purposes of this Agreement,

"Cause" means the Participant's willful failure to perform his duties after a demand for performance is delivered to him by the Company's board of directors that specifically states the manner in which the board believes the Participant has not performed his duties; the Participant's willful gross misconduct materially injurious to the Company; or the Participant's violation of a direct order of the board of directors or the executive committee of the board. An act or omission is "willful" if it is done in bad faith or without reasonable belief that the act or omission was in the Company's interests.

"Disabled" means the Participant is expected by the Committee to both (i) become entitled to long-term disability payments under the Company's long-term disability plan then in effect and (ii) be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that is expected to result in death or is expected to last for a continuous period of at least one year.

"Good Reason" means a material diminution in the Participant's responsibilities or duties or a material diminution in the Participant's base compensation unless the base compensation of other senior officers of the Company is also reduced proportionately.

"Retirement" means the termination of employment of a Participant that occurs on or after the first day of the month after the month in which the Participant has both attained age 65 and completed at least 15 full years of employment with the Company.

Any reference in this Agreement to a termination of employment refers to a "separation from service" within the meaning of Code section 409A(a)(2)(A)(i).

9. Conditions to Post-Retirement and Disability Vesting. If the Participant has attained age 65 and has completed at least 15 Years of Service and such Participant terminates employment with the Company and the Affiliates by reason of Retirement or Disability, it is agreed by the Company and the Participant that:

(a) subject to the provisions of this section 9(a) and sections 9(b) and 9(c), such Participant may continue to vest in the unvested Restricted Stock Units following the date of his or her termination by reason of Retirement as if the Participant continued in employment as an Eligible Person provided that the Grant Date of the unvested RSUs is at least three (3) months prior to such termination date and the Participant has provided not less than three (3) months' advance written notice prior to such termination date to Apache Corporation's Executive Vice President, Human Resources, or his or her delegate, and to his or her direct manager, regarding the Participant 's intent to terminate employment for reason of Retirement; provided, however, a Participant who is at least age 65 and has completed at least 15 Years of Service need not provide such three (3) months' advance written notice of his or her intent to terminate employment by reason of Retirement if the Company elects to require such Participant to, or (as part of a reduction in force or otherwise in writing in exchange for a written release) offers such Participant the opportunity to, terminate employment with the Company by reason of Retirement; and it is further agreed that

(b) in consideration for the continued vesting treatment afforded to the Participant under section 9(a), Participant shall, during the continuing Vesting Period after Retirement or Disability (the "Continued Vesting Period"), refrain from becoming employed by, or consulting with, or becoming substantially involved in the business of, any business that competes with the Company or its Affiliate in the business of exploration or production of oil or natural gas within the geographic area in which the Participant is working or has worked for the Company or its Affiliate, and/or for which the Participant is or was responsible, at the time of termination of employment or the immediately preceding three-year period (a "Competitive Business"); provided, that the Participant may purchase and hold for investment purposes less than five percent (5%) of the shares of any Competitive Business whose shares are regularly traded on a national securities exchange or inter-dealer quotation system, and provided further, that the Participant may provide services solely as a director to a Competitive Business if, during the Continued Vesting Period, the Participant is not involved directly in the day-to-day management, supervision or operations of such Competitive Business; and it is further agreed that

(c) in consideration for the continued vesting treatment afforded to the Participant under section 9(a), Participant shall, during the Continued Vesting Period, refrain from making, or causing or assisting any other person to make, any oral or written communication to any third party about the Company, any Affiliate and/or any of the employees, officers or directors of the Company or any Affiliate which impugns or attacks, or is otherwise critical of, the reputation, business or character of such entity or person; or that discloses private or confidential information about their business affairs; or that constitutes an intrusion into their seclusion or private lives; or that gives rise to unreasonable publicity about their private lives; or that places them in a false light before the public; or that constitutes a misappropriation of their name or likeness.

Notwithstanding the foregoing provisions of this section 9 of the Agreement, in the event that the Participant fails to satisfy any of the conditions set forth in sections 9(a), (b) and (c) above, the Participant shall not be entitled to vest in any unvested Restricted Stock Units after the date of Retirement or Disability, as the case may be, and the unvested Restricted Stock Units subject to this Agreement shall be forfeited.

10. Prohibited Activity. In consideration for this Grant, the Participant agrees not to engage in any “Prohibited Activity” while employed by the Company or within three years after the date of the Participant’s termination of employment. A “Prohibited Activity” will be deemed to have occurred, as determined by the Committee in its sole and absolute discretion, if the Participant (i) divulges any non-public, confidential or proprietary information of the Company, but excluding information that (a) becomes generally available to the public other than as a result of the Participant’s public use, disclosure, or fault, or (b) becomes available to the Participant on a non-confidential basis after the Participant’s employment termination date from a source other than the Company prior to the public use or disclosure by the Participant, provided that such source is not bound by a confidentiality agreement or otherwise prohibited from transmitting the information by contractual, legal or fiduciary obligation, (ii) directly or indirectly, consults with or becomes affiliated with, participate or engage in, or becomes employed by any business that is competitive with the Company, wherever from time to time conducted throughout the world, including situations where the Participant solicits or participates in or assists in any way in the solicitation or recruitment, directly or indirectly, of any employees of the Company; or (iii) engages in publishing any oral or written statements about the Company, and/or any of its directors, officers, or employees that are disparaging, slanderous, libelous, or defamatory; or that disclose private or confidential information about their business affairs; or that constitute an intrusion into their seclusion or private lives; or that give rise to unreasonable publicity about their private lives; or that place them in a false light before the public; or that constitute a misappropriation of their name or likeness.

11. Payment of Tax and Withholding. The Committee may make such provisions as it may deem appropriate for the withholding of any taxes that it determines is required in connection with this Award. The Participant may pay all or any portion of the taxes required to be withheld by the Company or paid by the Participant in connection with all or any portion of this Award by delivering cash or by electing to have the Company withhold shares of Common Stock that would have otherwise been delivered to Participant having a Fair Market Value determined by the Committee in accordance with the Plan, equal to the amount required to be withheld or paid.

12. No Ownership Rights Prior to Issuance of Shares. Neither the Participant nor any other person shall become the beneficial owner of the Shares underlying the Restricted Stock Units, nor have any rights of a shareholder (including, without limitation, dividend and voting rights) with respect to any such Shares, unless and until and after such Shares have vested.

13. Non-Transferability of Restricted Stock Units. Subject to the conditions and exceptions set forth in Deferred Delivery Plan, if elected, and Section 14.2 of the Plan, the Restricted Stock Units (and, while subject to the restrictions in Section 3, the Shares) shall not be transferable otherwise than by will or the laws of descent and distribution or to a trust for estate planning purposes or a family partnership.

14. No Right to Continued Employment. Neither the Restricted Stock Units nor any terms contained in this Agreement shall confer upon the Participant any express or implied right to be retained in the employment or service of the Company or any Affiliate for any period, nor restrict in any way the right of the Company or any Affiliate, which right is hereby expressly reserved, to terminate the Participant's employment or service at any time for any reason. The Participant acknowledges and agrees that any right to have restrictions on the Restricted Stock Units lapse is earned only by continuing as an employee of the Company or an Affiliate at the will of the Company or such Affiliate, or satisfaction of any other applicable terms and conditions contained in the Plan and this Agreement, and not through the act of being hired, being Awarded the Restricted Stock Units or acquiring Shares hereunder.

15. The Plan. In consideration for this award of Restricted Stock Units, the Participant agrees to comply with the terms of the Plan and this Agreement. This Agreement is subject to all the terms, provisions and conditions of the Plan, a copy of which is attached hereto and incorporated herein by reference, and to such regulations and administrative interpretations thereunder as may from time to time be adopted by the Committee. Unless defined herein, capitalized terms are used herein as defined in the Plan. In the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall control, and this Agreement shall be deemed to be modified accordingly.

16. Notices. All notices by the Participant or the Participant's assignees may be made only in the following manner, using such forms as the Company may from time to time provide:

(a) by first class registered or certified United States mail, postage prepaid, to Apache Corporation, Attn: Corporate Secretary, 2000 Post Oak Boulevard, Suite 100, Houston, Texas 77056;

(b) by hand delivery to or Apache Corporation, Attn: Corporate Secretary, 2000 Post Oak Boulevard, Suite 100, Houston, Texas 77056; or

(c) by such other means, including by electronic means or by facsimile, as provided by the Committee.

All notices to the Participant shall be addressed to the Participant at the Participant's address in the Company's records.

Any notices provided for in this Agreement or in the Plan shall be deemed effectively delivered or given upon receipt of such notice.

17. Other Plans. The Participant acknowledges that any income derived from the Restricted Stock Units shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company or any Affiliate.

18. Terms of Employment. The Plan is a discretionary plan. The Participant hereby acknowledges that neither the Plan nor this Agreement forms part of his terms of employment and nothing in the Plan may be construed as imposing on the Company or any Affiliate a contractual obligation to offer participation in the Plan to any employee of the Company or any Affiliate. The Company or any Affiliate is under no obligation to award further Shares to any Participant under the Plan.

19. Section 409A of the Internal Revenue Code. Notwithstanding any provision of this Agreement to the contrary, this Agreement is intended to provide for a grant of deferred compensation that is exempt from or compliant with Section 409A of the Internal Revenue Code and related regulations and United States Department of the Treasury pronouncements ("Section 409A"). Any ambiguous provisions will be construed in a manner so that this Award is either compliant with or exempt from the application of Section 409A. If a provision of this Agreement would result in the imposition of an applicable tax under Section 409A, such provision may be reformed by the Company without the Participant's consent in order to avoid imposition of the applicable tax.

20. Data Protection. By accepting this Agreement, the Participant hereby consents to the holding and processing of personal data provided by him to the Company for all purposes necessary for the operation of the Plan. These include, but are not limited to:

(a) administering and maintaining Participant records;

(b) providing information to any registrars, brokers or third party administrators of the Plan; and

(c) providing information to future purchasers of the Company or the business in which the Participant works.

IN WITNESS WHEREOF, the Company and Participant have executed this Agreement on the 26th day of February 2015. The Agreement is effective as of February 18, 2015.

Attest:	**APACHE CORPORATION**
/s/ Cheri L. Peper	/s/ Margery M. Harris
Cheri L. Peper Corporate Secretary	Margery M. Harris Executive Vice President, Human Resources
	PARTICIPANT:
	/s/ John J. Christmann IV
	John J. Christmann

EXHIBIT 31.1

CERTIFICATIONS

I, John J. Christmann, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Apache Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ John J. Christmann
John J. Christmann
Chief Executive Officer and President
(principal executive officer)

Date: May 7, 2015

EXHIBIT 31.2

CERTIFICATIONS

I, Stephen J. Riney, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Apache Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ Stephen J. Riney
Stephen J. Riney
Executive Vice President and Chief Financial Officer
(principal financial officer)

Date: May 7, 2015

EXHIBIT 32.1

APACHE CORPORATION

Certification of Principal Executive Officer
and Principal Financial Officer

I, John J. Christmann, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the quarterly report on Form 10-Q of Apache Corporation for the quarterly period ending March 31, 2015, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §78m or §78o (d)) and that information contained in such report fairly represents, in all material respects, the financial condition and results of operations of Apache Corporation.

/s/ John J. Christmann

By: John J. Christmann
Title: Chief Executive Officer and President
(principal executive officer)

Date: May 7, 2015

I, Stephen J. Riney, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the quarterly report on Form 10-Q of Apache Corporation for the quarterly period ending March 31, 2015, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §78m or §78o (d)) and that information contained in such report fairly represents, in all material respects, the financial condition and results of operations of Apache Corporation.

/s/ Stephen J. Riney

By: Stephen J. Riney
Title: Executive Vice President and Chief Financial Officer
(principal financial officer)

Date: May 7, 2015