

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

APACHE CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE NO. 41-0747868
(STATE OR OTHER JURISDICTION OF (I.R.S. EMPLOYER
INCORPORATION OR ORGANIZATION) IDENTIFICATION NUMBER)

2000 POST OAK BOULEVARD, SUITE 100, HOUSTON, TEXAS 77056-4400
(713) 296-6000
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

APACHE CORPORATION
PILOT EXECUTIVE RESTRICTED STOCK PLAN

(FULL TITLE OF THE PLAN)

Z.S. KOBIAHVILI, SENIOR VICE PRESIDENT AND GENERAL COUNSEL
APACHE CORPORATION
2000 POST OAK BOULEVARD, SUITE 100, HOUSTON, TEXAS 77056-4400
(713) 296-6000
(NAME AND ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING
AREA CODE, OF AGENT FOR SERVICE)

CALCULATION OF REGISTRATION FEE

Title of Proposed Registration	Maximum Registered (1)	Proposed Share (2)	Maximum Price (2)	Amount to be Offered (2) -	Offering Price Per Aggregate Offering Amount of
Common Stock, par value \$1.25 per share, and 200,000 shares	\$50.765	\$10,153,000	\$935		Preferred Stock Purchase Rights (3)

- (1) In addition, pursuant to Rule 416(c) under the Securities Act of 1933, this registration statement also covers an indeterminate amount of interests to be offered or sold pursuant to the employee benefit plan described herein.
- (2) Estimated solely for the purpose of calculating the registration fee. Pursuant to Rules 457(c) and 457(h), the offering price and registration fee are computed on the basis of the average of the high and low prices of the Common Stock, as reported on The New York Stock Exchange, Inc. Composite Transactions Reporting System for July 29, 2002.
- (3) Preferred Stock Purchase Rights are evidenced by certificates for shares of the Common Stock and automatically trade with the Common Stock. Value attributable to such Preferred Stock Purchase Rights, if any, is reflected in the market price of the Common Stock.

This registration statement on Form S-8 is being filed by the registrant, Apache Corporation ("Apache"), for the purpose of registering 200,000 shares of Apache Common Stock, par value \$1.25 per share ("Apache Common Stock"), for issuance under the terms of the Apache Corporation Pilot Executive Restricted Stock Plan. Such 200,000 shares of Apache Common Stock have been reserved and authorized for issuance from the capital stock held in Apache's treasury.

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The following documents filed by Apache Corporation (the "Registrant" or "Apache") with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Commission File No. 1-4300, are incorporated by reference into this Registration Statement:

- (1) Annual Report on Form 10-K for the year ended December 31, 2001.
- (2) Quarterly Report on Form 10-Q for the quarter ended March 31, 2002.
- (3) Current Reports on Form 8-K dated March 29, 2002 and April 8, 2002.
- (4) All documents subsequently filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of filing of such documents.

The descriptions set forth below of the common stock of Apache, par value \$1.25 per share ("Apache Common Stock"), the preferred stock and the Rights (as defined below) constitute brief summaries of certain provisions of Apache's Restated Certificate of Incorporation, Apache's Bylaws and the Rights Agreement between Apache and Wells Fargo Bank Minnesota, N. A. ("Wells Fargo"), formerly Norwest Bank Minnesota, N.A., and are qualified in their entirety by reference to the relevant provisions of such documents, all of which are listed under Item 8 as exhibits to this Registration Statement and are incorporated herein by reference.

APACHE COMMON STOCK

All outstanding shares of Apache Common Stock are fully paid and nonassessable, and all holders of Apache Common Stock have full voting rights and are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. The Board of Directors of Apache is classified into three groups of approximately equal size, one-third elected each year. Stockholders do not have the right to cumulate votes in the election of directors and have no preemptive or subscription rights. Apache Common Stock is neither redeemable nor convertible, and there are no sinking fund provisions relating to such stock.

Subject to preferences that may be applicable to any shares of preferred stock outstanding at the time, holders of Apache Common Stock are entitled to dividends when and as declared by the Board of Directors from funds legally available therefor and are entitled, in the event of liquidation, to share ratably in all assets remaining after payment of liabilities.

Apache's current policy is to reserve one ten-thousandth (1/10,000) of a share of Series A Preferred Stock (as defined below) for each 1.1 shares of Apache Common Stock issued in order to provide for possible exercises of Rights (as defined below) under Apache's existing Rights Agreement.

The currently outstanding Apache Common Stock and the Rights (as defined below) under Apache's existing Rights Agreement are listed on the New York Stock Exchange and the Chicago Stock Exchange. Wells Fargo is the transfer agent and registrar for Apache Common Stock.

Apache typically mails its annual report to stockholders within 120 days after the end of its fiscal year. Notices of stockholder meetings are mailed to record holders of Apache Common Stock at their addresses shown on the books of the transfer agent and registrar.

PREFERRED STOCK

Apache has five million shares of no par preferred stock authorized, of which (i) 25,000 shares have been designated Series A Junior Participating Preferred Stock ("Series A Preferred Stock") and authorized for issuance pursuant to the Rights (as defined below) that trade with Apache Common Stock, (ii) 100,000 shares have been designated 5.68% Cumulative Preferred Stock, Series B ("Series B Preferred Stock"), and (iii) 140,000 shares have been designated Automatically Convertible Equity Securities, Conversion Preferred Stock, Series C ("Series C Preferred Stock"). A total of 100,000 shares of Series B Preferred Stock and 140,000 shares of Series C Preferred Stock are currently outstanding, and shares of Series A Preferred Stock have been reserved for issuance in accordance with the Rights Agreement relating to the Rights. Additional shares of preferred stock may be authorized for issuance and issued by the Board of Directors with such voting powers and in such classes and series, and with such designations, preferences, and relative, participating, optional or other special rights, qualifications, limitations or restrictions thereof (including conversion into or exchange for Apache Common Stock or other securities of Apache or its subsidiaries), as may be stated and expressed in the resolution or resolutions providing for the issuance of such preferred stock adopted by the Board of Directors providing for the issuance of such preferred stock.

RIGHTS

In December 1995, Apache declared a dividend of .9 right (a "Right") (adjusted for the ten-percent stock dividend) for each share of Apache Common Stock outstanding on January 31, 1996. Each full Right entitles the registered holder to purchase from Apache one ten-thousandth (1/10,000) of a share of Series A Preferred Stock at a price of \$100 per one ten-thousandth of a share, subject to adjustment. The Rights are exercisable ten calendar days following a public announcement that certain persons or groups have acquired 20 percent or more of the outstanding shares of Apache Common Stock or ten business days following commencement of an offer for 30 percent or more of the outstanding shares of Apache Common Stock. Unless and until the Rights become exercisable, they will be transferred with and only with the shares of Apache Common Stock.

In addition, if a person or group becomes the beneficial owner of 20 percent or more of the outstanding shares of Apache Common Stock (a "flip in event"), each Right will become exercisable for shares of Apache Common Stock at 50 percent of the then market price of Apache Common Stock. If a 20-percent stockholder of Apache acquires Apache, by merger or otherwise, in a transaction where Apache does not survive or in which Apache Common Stock is changed or exchanged (a "flip over event"), the Rights become exercisable for shares of the common stock of the corporation acquiring Apache at 50 percent of the then market price of Apache Common Stock. Any Rights that are or were beneficially owned by a person who has acquired 20 percent or more of the outstanding shares of Apache Common Stock, and who engages in certain transactions or realizes the benefits of certain transactions with Apache, will become void. If an offer to acquire all of the outstanding shares of Apache Common Stock is determined to be fair by Apache's board of directors, the transaction will not trigger a flip in event or a flip over event. Apache may also redeem the Rights at \$.01 per Right at any time until ten business days after public announcement of a flip in event. The Rights will expire on January 31, 2006, unless earlier redeemed by Apache. Unless the Rights have been previously redeemed, all shares of Apache Common Stock issued by Apache after January 31, 1996, will include Rights, including the

Apache Common Stock issuable under the terms of the Apache Corporation Pilot Executive Restricted Stock Plan.

CONSENT OF ARTHUR ANDERSEN LLP

The consolidated financial statements of Apache and its subsidiaries as of and for the year ended December 31, 2001 incorporated by reference in this registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said reports. Arthur Andersen LLP has not consented to the inclusion of their report in this registration statement, and Apache has dispensed with the requirement to file their consent in reliance upon Rule 437a of the Securities Act of 1933. Because Arthur Andersen LLP has not consented to the inclusion of their report, you will not be able to recover against Arthur Andersen LLP under Section 11 of the Securities Act of 1933 for any untrue statements of a material fact contained in the financial statements audited by Arthur Andersen LLP or any omissions to state a material fact required to be stated therein.

ITEM 4. DESCRIPTION OF SECURITIES

Not applicable

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law ("DGCL"), inter alia, authorizes a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of the corporation) because the person is or was a director, officer, employee or agent of another corporation or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with the suit or proceeding if the person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reason to believe his conduct was unlawful. Similar indemnity is authorized against expenses (including attorneys' fees) actually and reasonably incurred in defense or settlement of any pending, completed or threatened action or suit if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and provided further that (unless a court of competent jurisdiction otherwise provides) the person shall not have been adjudged liable to the corporation. The indemnification may be made only as authorized in each specific case upon a determination by the stockholders or disinterested directors that indemnification is proper because the indemnitee has met the applicable standard of conduct.

Section 145 of the DGCL further authorizes a corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against any liability asserted against him and incurred by him in any capacity, or arising out of his status as such, whether or not the corporation would otherwise have the power to indemnify him. Apache maintains policies insuring the officers and directors of Apache and its subsidiaries against certain liabilities for actions taken in their capacities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act").

Article VII of Apache's Bylaws provides, in substance, that directors, officers, employees and agents of Apache shall be indemnified to the extent permitted by Section 145 of the DGCL. Additionally, the Seventeenth Article of Apache's Restated Certificate of Incorporation eliminates in certain circumstances the monetary liability of directors of Apache for a breach of their fiduciary duty as directors. These provisions do not eliminate the liability of a director (i) for a breach of a director's duty of loyalty to the corporation or its stockholders; (ii) for acts or omissions by a director not in good faith; (iii) for acts or omissions by a director involving intentional misconduct or a knowing violation of the law; (iv) under Section 174 of the DGCL (relating to the declaration of dividends and purchase or redemption of shares in violation of the DGCL); and (v) for transactions from which the director derived an improper personal benefit.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable.

ITEM 8. EXHIBITS.

The following exhibits are filed herewith unless otherwise indicated:

EXHIBIT NUMBER - -----	DESCRIPTION OF EXHIBIT -----
4.1	Restated Certificate of Incorporation of Apache Corporation (incorporated by reference to Exhibit 99.1 to Apache's Current Report on Form 8-K, dated December 17, 1999, Commission File No. 1-4300)
4.2	Bylaws of Apache Corporation, as amended May 2, 2002 (incorporated by reference to Exhibit 3.1 to Apache's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002, Commission File No. 1-4300)
4.3	Form of Registrant's Common Stock Certificate (incorporated by reference to Exhibit 4.1 to Apache's Annual Report on Form 10-K for the year ended December 31, 1995, Commission File No. 1-4300)
4.4	Rights Agreement, dated January 31, 1996, between Apache and Norwest Bank Minnesota, N.A., rights agent (incorporated by reference to Exhibit (a) to Apache's Registration Statement on Form 8-A, dated January 24, 1996, Commission File No. 1-4300)
*4.5	Apache Corporation Pilot Executive Restricted Stock Plan, effective as of May 2, 2002.
*5.1	Opinion of legal counsel regarding legality of securities being registered
*23.1	Consent of Ryder Scott Company Petroleum Engineers
*23.2	Consent of legal counsel included in Exhibit 5.1
*24.1	Power of Attorney included as part of the signature pages of this Registration Statement

- -----
*Filed herewith

ITEM 9. UNDERTAKINGS.

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement relating to the securities offered herein shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(5) That, for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4), or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

(6) That, for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

The Registrant. Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Houston, State of Texas.

APACHE CORPORATION

Date: July 31, 2002

By: /s/ G. Steven Farris

G. Steven Farris,
President, Chief Executive Officer
and Chief Operating Officer

POWER OF ATTORNEY

The undersigned directors and officers of Apache Corporation do hereby constitute and appoint Raymond Plank, G. Steven Farris, Z. S. Kobiashvili and Roger B. Plank, and each of them, with full power of substitution, our true and lawful attorneys-in-fact to sign and execute, on behalf of the undersigned, any and all amendments (including post-effective amendments) to this Registration Statement; and each of the undersigned does hereby ratify and confirm all that said attorneys-in-fact shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons, in the capacities and on the dates indicated.

SIGNATURE - -----	TITLE -----	DATE ----
/s/ G. Steven Farris ----- G. Steven Farris	Director; President, Chief Executive Officer and Chief Operating Officer (Principal Executive Officer)	July 31, 2002
/s/ Roger B. Plank ----- Roger B. Plank	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	July 31, 2002
/s/ Thomas L. Mitchell ----- Thomas L. Mitchell	Vice President and Controller (Principal Accounting Officer)	July 31, 2002

SIGNATURE - -----	TITLE -----	DATE -----
/s/ Raymond Plank ----- Raymond Plank	Director and Chairman of the Board	July 31, 2002
/s/ Frederick M. Bohlen ----- Frederick M. Bohlen	Director	July 31, 2002
/s/ Randolph M. Ferlic ----- Randolph M. Ferlic	Director	July 31, 2002
/s/ Eugene C. Fiedorek ----- Eugene C. Fiedorek	Director	July 31, 2002
/s/ A. D. Frazier, Jr. ----- A. D. Frazier, Jr.	Director	July 31, 2002
/s/ John A. Kocur ----- John A. Kocur	Director	July 31, 2002
/s/ George D. Lawrence Jr. ----- George D. Lawrence Jr.	Director	July 31, 2002
/s/ Mary Ralph Lowe ----- Mary Ralph Lowe	Director	July 31, 2002
/s/ F. H. Merelli ----- F. H. Merelli	Director	July 31, 2002
/s/ Rodman D. Patton ----- Rodman D. Patton	Director	July 31, 2002
/s/ Charles J. Pitman ----- Charles J. Pitman	Director	July 31, 2002

INDEX TO EXHIBITS

EXHIBIT NUMBER - -----	DESCRIPTION OF EXHIBIT -----
4.1	Restated Certificate of Incorporation of Apache Corporation (incorporated by reference to Exhibit 99.1 to Apache's Current Report on Form 8-K, dated December 17, 1999, Commission File No. 1-4300)
4.2	Bylaws of Apache Corporation, as amended May 2, 2002 (incorporated by reference to Exhibit 3.1 to Apache's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002, Commission File No. 1-4300)
4.3	Form of Registrant's Common Stock Certificate (incorporated by reference to Exhibit 4.1 to Apache's Annual Report on Form 10-K for the year ended December 31, 1995, Commission File No. 1-4300)
4.4	Rights Agreement, dated January 31, 1996, between Apache and Norwest Bank Minnesota, N.A., rights agent (incorporated by reference to Exhibit (a) to Apache's Registration Statement on Form 8-A, dated January 24, 1996, Commission File No. 1-4300)
*4.5	Apache Corporation Pilot Executive Restricted Stock Plan, effective as of May 2, 2002.
*5.1	Opinion of legal counsel regarding legality of securities being registered
*23.1	Consent of Ryder Scott Company Petroleum Engineers
*23.2	Consent of legal counsel included in Exhibit 5.1
*24.1	Power of Attorney included as part of the signature pages of this Registration Statement

- -----
*Filed herewith

APACHE CORPORATION

PILOT EXECUTIVE RESTRICTED STOCK PLAN

Dated July 17, 2002, effective as of May 2, 2002

TABLE OF CONTENTS

PAGE ---- Section 1 -

Introduction.....1

1.1 Establishment.....1

1.2 Purposes.....1

Section 2 -

Definitions.....1

2.1 Definitions.....1

2.2 Headings; Gender and Number.....2

Section 3 - Plan

Administration.....3

Section 4 - Stock Subject to the

Plan.....3 4.1 Number of
Shares.....3 4.2 Other
Shares of Stock.....4 4.3
Certain Adjustments.....4

Section 5 - Reorganization or

Liquidation.....4 Section 6 -
Grant of Plan

Units.....5 6.1

Grants.....5 6.2

Grant Agreements.....5

6.2.1 Grant Terms.....5 6.2.2

Deferral of Vested Units.....5 6.3

Termination of Employment, Death, Disability, etc.....6 6.4

Tax Withholding.....7 6.5

Stockholder Privileges.....7

Section 7 - Change of

Control.....7 7.1

General7 7.2

Limitation on Payments.....7 7.3

Definition.....8

Section 8 - Rights of Employees, Participants.....8
 8.1 Employment.....8
 8.2 Non-transferability.....8
Section 9 - Other Employee Benefits.....9
Section 10 - Plan Amendment, Modification and Termination.....9
Section 11 - Requirements of Law.....9
 11.1 Requirements of Law.....9
 11.2 Section 16 Requirements.....10
 11.3 Governing Law.....10
Section 12 - Duration of the Plan.....10

APACHE CORPORATION
PILOT EXECUTIVE RESTRICTED STOCK PLAN

SECTION 1

INTRODUCTION

1.1 Establishment. Apache Corporation, a Delaware corporation (hereinafter referred to, together with its Affiliated Corporations (as defined below) as the "Company" except where the context otherwise requires), hereby establishes the Apache Corporation Pilot Executive Restricted Stock Plan (the "Plan"), effective as of May 2, 2002.

1.2 Purposes. The primary purpose of the Plan is to focus the energies of the Company's executive and regional officers on significantly increasing shareholder wealth by increasing such officers' ownership of the Company's equity. Additional purposes of the Plan include the retention of existing key employees and as an additional inducement in the recruitment of talented personnel in a competitive environment.

SECTION 2

DEFINITIONS

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

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

"Board" means the Board of Directors of the Company.

"Committee" means the Stock Option Plan Committee of the Board or such other committee of the Board that is empowered hereunder to administer the Plan. The Committee shall be constituted at all times so as to permit the Plan to be administered by "non-employee directors" (as defined in Rule 16b-3 of the Securities Exchange Act of 1934, as amended).

"Deferred Delivery Plan" means the Company's Deferred Delivery Plan, as it has been or may be amended from time to time, or any successor plan.

"Deferred Restricted Units" means investment units under the Deferred Delivery Plan, each of which is deemed to be equivalent to one share of Stock.

"Eligible Employees" means executive and regional officers of the Company.

"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. 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.

"Grant" has the meaning set forth in Section 6 hereof.

"Grant Agreement" has the meaning set forth in Section 6 hereof.

"Grant Date" means for any Grant the date specified in the applicable resolutions of the Committee

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

"Participant" means an Eligible Employee designated by the Committee from time to time during the term of the Plan to receive one or more Grants of Plan Units under the Plan.

"Plan Units" means investment units, each of which is deemed to be equivalent to one share of Stock, convertible into a Deferred Stock Unit or a share of Stock, as applicable, upon the vesting of a Grant.

"Stock" means the \$1.25 par value Common Stock of the Company.

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

SECTION 3

PLAN ADMINISTRATION

The Plan shall be administered by the Committee. In accordance with the provisions of the Plan, the Committee shall, in its sole discretion, adopt rules and regulations for carrying out the purposes of the Plan, including, without limitation, selecting the Participants from among the Eligible Employees appointing designees or agents (who need not be members of the Committee or employees of the Company) to assist the Committee with the administration of the Plan, and establish such other terms and requirements as the Committee may deem necessary or desirable and consistent with the terms of the Plan. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan, or in any Grant Agreement entered into hereunder, in the manner and to the extent it shall deem expedient and the Committee shall be the sole and final judge of such expediency. No member of the Committee shall be liable for any action or determination made in good faith. The determinations, interpretations and other actions of the Committee pursuant to the provisions of the Plan shall be binding and conclusive for all purposes and on all persons.

SECTION 4

STOCK SUBJECT TO THE PLAN

4.1 Number of Shares. Subject to Sections 4.3 and Section 6.1 hereof, up to two hundred thousand (200,000) shares of Stock are authorized for issuance under the Plan upon conversion of any Plan Units in accordance with the Plan's terms and subject to such restrictions or other provisions as the Committee may from time to time deem necessary. Shares of Stock which may be issued pursuant to the conversion of any Plan Units or related Deferred Restricted Units awarded hereunder shall be applied to reduce the maximum number of shares of Stock remaining available for use under the Plan. The Company shall at all times during the term of the Plan and while any Plan Units or related Deferred Restricted Units are outstanding retain as authorized and unissued Stock and/or Stock in the Company's treasury, at least the number of shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations hereunder.

4.2 Other Shares of Stock. Any shares of Stock that are subject to issuance upon conversion of a Plan Unit or related Deferred Restricted Unit which expires, is forfeited, is cancelled, or for any reason is terminated, and any shares of Stock that for any other reason are not issued to a Participant or are forfeited shall automatically become available for use under the Plan.

4.3 Certain Adjustments. If the Company shall at any time increase or decrease the number of its outstanding shares of Stock (other than by way of issuing Stock in a public or private offering for cash or property) or change in any way the rights and privileges of such shares by means of a dividend or any other distribution upon such shares payable in Stock, or through a split, subdivision, consolidation, combination, reclassification or recapitalization involving the Stock or a subscription for shares of Stock that has the effect of diluting the Company's capital (hereinafter a "capital restructuring"), then for purposes of determining the entitlement to payments under Section 6, the number of shares of Stock authorized for issuance under this Section 4, shall be equitably and proportionally adjusted to take into account any capital restructuring. Any adjustment under this Section shall be made by the Committee, whose determination with regard thereto, including whether any adjustment is needed, shall be final and binding upon all parties.

SECTION 5

REORGANIZATION OR LIQUIDATION

In the event that the Company is merged or consolidated with another corporation and the Company is not the surviving corporation, or if all or substantially all of the assets or more than 20 percent of the outstanding voting stock of the Company is acquired by any other corporation, business entity or person, or in case of a reorganization (other than a reorganization under the United States Bankruptcy Code) or liquidation of the Company, and if the provisions of Section 7 hereof do not apply, the Committee, or the board of directors of any corporation assuming the obligations of the Company, shall, as to the Plan and outstanding Plan Units either (i) make appropriate provision for the adoption and continuation of the Plan by the acquiring or successor corporation and for the protection of any holders of such outstanding Plan Units by the substitution on an equitable basis of appropriate stock of the Company or of the merged, consolidated or otherwise reorganized corporation which will be issuable with respect to the Stock, provided that no additional benefits shall be conferred upon the Participants holding such Plan Units as a result of such substitution, or (ii) provide that all Plan Units shall become immediately vested and convertible into shares of Stock.

SECTION 6

GRANT OF PLAN UNITS

6.1 Grants. From time to time each Participant may be awarded one or more grants (each, a "Grant") of Plan Units under this Plan by the Committee. Each Grant shall be composed of a number of Plan Units as may be determined by the Committee in its sole discretion. Each Grant awarded by the Committee shall be evidenced by a written agreement entered into by the Company and the Participant to whom the Grant is awarded (the "Grant Agreement"), which shall contain the terms and conditions set out in this Section 6 (which may be modified in any manner as the Committee shall determine in its sole discretion), as well as such other terms and conditions as the Committee may consider appropriate.

6.2 Grant Agreements. Each Grant Agreement entered into by the Company and each Participant shall contain at least the following terms and conditions. In the event of any inconsistency between the provisions of the Plan and any Grant Agreement, the provisions of the Plan shall govern.

6.2.1 Grant Terms. Each Grant Agreement shall evidence the Grant of Plan Units and conditionally entitle the Participant to receive the indicated Plan Units which shall vest, subject to Section 6.2.2 below, based on the following schedule:

First Anniversary of the Grant Date	25%
Second Anniversary of the Grant Date	25%
Third Anniversary of the Grant Date	25%
Fourth Anniversary of the Grant Date	25%

6.2.2 Deferral of Vested Units. Upon vesting in accordance with Section 6.2.1 above, such Plan Units shall automatically convert into Deferred Restricted Units and be deferred into the Deferred Delivery Plan. The Participant shall have the right to make any elections with respect to such Deferred Restricted Units as are permitted pursuant to the terms of the Deferred Delivery Plan (including elections as to distributions from the Deferred Delivery Plan); provided, however, that the initial deferral period for the Deferred Restricted Units into which Plan Units convert shall be five (5) years. A Participant shall also have the right with respect to any Deferred Restricted Units into which Plan Units have converted to elect to (a) defer such Deferred Restricted Units for one additional period of five (5) years or until the Participant's termination of employment with the Company or (b) to receive distributions pursuant to the Deferred Delivery Plan, provided, however, that such election must be made at least one year prior to the

termination of any initial deferral period for such Deferred Restricted Units. All deferral periods, including the initial five (5) year deferral period, shall terminate on the termination of the Participants employment with the Company regardless of the length of time provided for such deferral period.

6.3 Termination of Employment, Death, Disability, etc. Except as set forth below, each Grant Agreement shall state that each Grant, the Plan Units received thereunder and the right to receive any shares of Stock or Deferred Restricted Units, thereunder upon vesting of the Plan Units shall be subject to the condition that the Participant has remained an Eligible Employee from the initial award of a Grant until the applicable vesting date as follows:

(a) If the employment of the Participant is terminated by the Company for cause, all Plan Units, vested and unvested, and any Deferred Restricted Units into which vested Plan Units have been converted shall thereafter be void and forfeited for all purposes.

(b) If the Participant voluntarily leaves the employment of the Company, or if the employment of the Participant is terminated by the Company other than for cause, the Participant shall be entitled to receive the shares of Stock issueable or Deferred Restricted Units credited to the Participant's account in the Deferred Delivery Plan on account of vested Plan Units in accordance with Section 5 or 6.2.2. Such Participant shall not be entitled to any shares of Stock issueable or Deferred Restricted Units credited on account of Plan Units that were not vested prior to the effective date of such Participant's leaving the employment of the Company. If the Participant dies before receiving all of the Stock or Deferred Restricted Units to which he or she is entitled under this Section 6.3(b), such Stock or Deferred Restricted Units shall be issued to those entitled under the Participant's will or by the laws of descent and distribution.

(c) If the Participant becomes disabled (as determined pursuant to the Company's Long-Term Disability Plan or any successor plan), while still employed by the Company, the Participant shall be entitled to receive the shares of Stock issueable or Deferred Restricted Units credited to the Participant's account in the Deferred Delivery Plan on account of vested Plan Units in accordance with Section 5 or 6.2.2. Such Participant shall not be entitled to any shares of Stock issueable or Deferred Restricted Units credited on account of Plan Units that were not vested prior to the date such Participant's became disabled. If the Participant dies before receiving all of the Stock or Deferred Restricted Units to which he or she is entitled under this Section 6.3(c), such Stock or Deferred Restricted Units shall be issued to those entitled under the Participant's will or by the laws of descent and distribution.

(d) If a Participant dies while still employed by the Company, all unvested Plan Units shall automatically vest and convert into the right to receive Stock, without conversion into Deferred Restricted Units and deferral into the Deferred Delivery Plan, and the shares of Stock or Deferred Restricted Units issueable for vested Plan Units (including those vested pursuant to this Section 6.3(d)) will be issued in accordance with Section 5 or 6.2.2 and shall be made to those entitled under the Participant's will or by the laws of descent and distribution.

6.4 Tax Withholding. Each Grant Agreement shall provide that, upon issuance of shares of Stock upon conversion of any Plan Units or related Deferred Restricted Units, the Participant shall make appropriate arrangements with the Company to provide for the amount of minimum tax withholding required by Sections 3102 and 3402 or any successor section(s) of the Internal Revenue Code and applicable state and local income and other tax laws.

6.5 Stockholder Privileges. No Participant shall have any rights as a stockholder with respect to any shares of Stock into which a Plan Unit is convertible until the Participant becomes the holder of record of such Stock.

SECTION 7

CHANGE OF CONTROL

7.1 In General. In the event of a change in control of the Company, as defined in Section 7.3 hereof, all unvested Plan Units shall automatically vest and convert into the right to receive Stock (issueable in one lump sum immediately after such conversion), without conversion into Deferred Restricted Units and deferral into the Deferred Delivery Plan, without further action by the Committee or the Board.

7.2 Limitation on Payments. If the provisions of this Section 7 would result in the receipt by any Participant of a payment within the meaning of Section 280G or any successor section(s) of the Internal Revenue Code, and the regulations promulgated thereunder, and if the receipt of such payment by any Participant would, in the opinion of independent tax counsel of recognized standing selected by the Company, result in the payment by such Participant of any excise tax provided for in Sections 280G and 4999 or any successor section(s) of the Internal Revenue Code, then the amount of such payment shall be reduced to the extent required, in the opinion of independent tax counsel, to prevent the imposition of such excise tax; provided, however, that the Committee, in its sole discretion, may authorize the payment of all or any portion of the amount of such reduction to the Participant.

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

SECTION 8

RIGHTS OF EMPLOYEES, PARTICIPANTS

8.1 Employment. Neither anything contained in the Plan or any Grant Agreement nor the granting of any Plan Units under the Plan shall confer upon any Participant any right with respect to the continuation of his or her employment by the Company or any Affiliated Corporation, or interfere in any way with the right of the Company or any Affiliated Corporation, at any time to terminate such employment or to increase or decrease the level of the Participant's compensation from the level in existence at the time of the award of Plan Units.

8.2 Non-transferability. No right or interest of any Participant in a Plan Unit granted pursuant to the Plan shall be assignable or transferable during the lifetime of the Participant, either voluntarily or involuntarily, or subjected to any lien, directly or indirectly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge or bankruptcy. In the event of a Participant's death, a Participant's rights and interests in any Plan Unit shall, to the extent provided in Section 6.3 hereof, be transferable by testamentary will or the laws of descent and distribution, and payment of any entitlements due under the Plan shall be made to the Participant's legal representatives, heirs or legatees. If, in the opinion of the Committee, a person entitled to payments or to exercise rights with respect to the Plan is disabled from caring for his or her affairs because of mental condition, physical condition or age, payment due such person may be made to, and such rights shall be exercised by, such person's guardian, conservator or other legal personal representative upon furnishing the Committee with evidence satisfactory to the Committee of such status.

SECTION 9

OTHER EMPLOYEE BENEFITS

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

SECTION 10

PLAN AMENDMENT, MODIFICATION AND TERMINATION

The Committee or the Board may at any time terminate and, from time to time, may amend or modify the Plan. No amendment, modification or termination of the Plan shall in any manner adversely affect any Plan Unit theretofore awarded under the Plan, without the consent of the Participant holding such Plan Unit.

The Committee shall have the authority to adopt such modifications, procedures and subplans as may be necessary or desirable to comply with the provisions of the laws (including, but not limited to, tax laws and regulations) of countries other than the United States in which the Company may operate, so as to assure the viability of the benefits of the Plan to Participants employed in such countries.

SECTION 11

REQUIREMENTS OF LAW

11.1 Requirements of Law. The issuance of shares of Stock pursuant to the Plan shall be subject to all applicable laws, rules and regulations, including applicable federal and state securities laws. The Company may require a Participant, as a condition of receiving payment upon conversion of a Plan Unit, to give written assurances in substance and form satisfactory to the Company and its counsel to such effect as the Company deems necessary or appropriate in order to comply with federal and applicable state securities laws.

11.2 Section 16 Requirements. If a Participant is an officer or director of the Company within the meaning of Section 16, Grants awarded hereunder shall be subject to all conditions required under Rule 16b-3, or any successor rule(s) promulgated under the Securities Exchange Act of 1934, as amended, to qualify the Plan Units for any exemption from the provisions of Section 16 available under such Rule. Such conditions are hereby incorporated herein by reference and shall be set forth in the agreement with the Participant, which describes the Grant.

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

SECTION 12

DURATION OF THE PLAN

The Plan shall terminate at such time as may be determined by the Committee, and no Plan Units shall be awarded after such termination. If not sooner terminated under the preceding sentence, the Plan shall fully cease and expire at midnight on May 1, 2012. Plan Units which remain outstanding at the time of the Plan termination shall continue in accordance with the Grant Agreement pertaining to such Plan Units.

Dated: July 17, 2002

APACHE CORPORATION

ATTEST:

/s/ Cheri L. Peper

Cheri L. Peper
Corporate Secretary

By: /s/ Jeffrey M. Bender

Jeffrey M. Bender
Vice President

July 31, 2002

Apache Corporation
2000 Post Oak Boulevard
Suite 100
Houston, Texas 77056-4400

Gentlemen:

I am rendering this opinion in my capacity as Attorney for Apache Corporation, a Delaware corporation ("Apache"), in connection with the Registration Statement on Form S-8 (the "Registration Statement") filed on or about this date by Apache under the Securities Act of 1933, as amended, and relating to 200,000 shares of Apache's common stock, \$1.25 par value ("Apache Common Stock"), to be offered under the plan described in the Registration Statement (the "Plan").

In connection therewith, I have examined the Registration Statement, the corporate proceedings with respect to the offering of shares and such other documents and instruments as I have deemed necessary or appropriate for the expression of the opinion contained herein.

On the basis of the foregoing, and having regard for such legal considerations I have deemed relevant, it is my opinion that the 200,000 shares of Apache Common Stock to be registered have been duly authorized for issuance and sale, and when issued in accordance with the terms and conditions of the Plan, will be legally issued, fully paid and non-assessable.

The opinions set forth above are limited in all respects to matters of Texas law and to the Delaware General Corporation Law (including the applicable provisions of the Delaware Constitution and the reported judicial decisions interpreting these laws).

I consent to the inclusion of this letter as an exhibit to the Registration Statement and to the reference in the Prospectus included as part of the Registration Statement to my having issued the opinion expressed herein.

Very truly yours,

/s/ Jeffrey B. King
Jeffrey B. King
Corporate Counsel

[Ryder Scott Letterhead]

EXHIBIT 23.1

Consent of Ryder Scott Company Petroleum Engineers

As independent petroleum engineers, we hereby consent to the incorporation by reference in this registration statement of our Firm's review of the proved oil and gas reserve quantities of Apache Corporation as of January 1, 2002, and to all references to our Firm included in this registration statement.

/s/ Ryder Scott Company, L.P.
Ryder Scott Company, L.P.

Houston, Texas
July 30, 2002