SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended June 30, 1999

OR

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

For the Transition Period from ___________________ to _____________________

Commission File Number 0-13546

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

APACHE OFFSHORE INVESTMENT PARTNERSHIP
STATEMENT OF INCOME
(UNAUDITED)

	FOR THE QUARTER ENDED JUNE 30,		FOR THE SIX MONTHS ENDED JUNE 30,	
	1999	1998	1999	1998
REVENUES:				
Oil and gas production revenues	$2,058,107	$2,153,787	$3,721,885	$4,349,472
Interest income	19,456	15,437	35,806	25,248
	2,077,563	2,169,224	3,757,691	4,374,720
EXPENSES:				
Depreciation, depletion and amortization	825,499	725,513	1,499,119	1,447,988
Lease operating expense	199,123	184,833	352,988	390,489
Administrative	135,000	140,952	270,000	275,952
	1,159,622	1,051,298	2,122,107	2,114,429
NET INCOME	$ 917,941	$1,117,926	$1,635,584	$2,260,291
NET INCOME ALLOCATED TO:				
Managing Partner	$ 296,275	$ 313,053	$ 528,036	$ 630,598
Investing Partners	621,666	804,873	1,107,548	1,629,693
	$ 917,941	$1,117,926	$1,635,584	$2,260,291
NET INCOME PER INVESTING PARTNER UNIT	$ 545	$ 683	$ 971	$ 1,379
WEIGHTED AVERAGE INVESTING PARTNER UNITS OUTSTANDING	1,141	1,179.3	1,141	1,181.7

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

APACHE OFFSHORE INVESTMENT PARTNERSHIP
STATEMENT OF CASH FLOWS
(UNAUDITED)

	FOR THE SIX MONTHS ENDED JUNE 30,	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,635,584	$ 2,260,291
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	1,499,119	1,447,988
Changes in operating assets and liabilities:		
Decrease (increase) in accrued revenues receivable	794,436	(85,718)
Increase (decrease) in accrued operating expenses payable	22,467	(103,743)
(Decrease) increase in payable to/receivable from Apache Corporation	(220,744)	293,827
Net cash provided by operating activities	3,730,862	3,812,645
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to oil and gas properties	(580,421)	(1,830,120)
Non-cash portion of oil and gas property additions	(64,545)	(622,547)
Proceeds from sales of oil and gas properties	140,620	363,534
Increase in drilling advances	--	(69,012)
Net cash used in investing activities	(504,346)	(2,158,145)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repurchase of Partnership Units	--	(348,000)
Distributions to Investing Partners	(855,728)	--
Distributions to Managing Partner, net	(921,710)	(501,252)
Net cash used in financing activities	(1,777,438)	(849,252)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,449,078	805,248
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,324,949	691,797
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,774,027	$ 1,497,045

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

APACHE OFFSHORE INVESTMENT PARTNERSHIP
BALANCE SHEET
(UNAUDITED)

	JUNE 30, 1999	DECEMBER 31, 1998
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,774,027	$ 1,324,949
Accrued revenues receivable	503,563	1,297,999
Receivable from Apache Corporation	150,771	--
	3,428,361	2,622,948
OIL AND GAS PROPERTIES, on the basis of full cost accounting:		
Proved properties	168,771,501	168,331,700
Less - Accumulated depreciation, depletion and amortization	(162,613,213)	(161,114,094)
	6,158,288	7,217,606
	$ 9,586,649	$ 9,840,554
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES:		
Accrued exploration and development	$ 527,375	$ 591,920
Accrued operating expenses payable and other	120,834	98,367
Payable to Apache Corporation	--	69,973
	648,209	760,260
PARTNERS' CAPITAL:		
Managing Partner	203,386	597,060
Investing Partners (1,141.0 and 1,141.0 units outstanding, respectively)	8,735,054	8,483,234
	8,938,440	9,080,294
	$ 9,586,649	$ 9,840,554

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

APACHE OFFSHORE INVESTMENT PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

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

1. RECEIVABLE FROM/PAYABLE TO APACHE

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

2. RIGHT OF PRESENTMENT

As provided in the Partnership Agreement, as amended (the Amended Partnership Agreement), a first right of presentment offer for 1999 of $8,410 per Unit, plus interest to the date of the payment, was made to Investing Partners based on a valuation date of December 31, 1998. As a result, the Partnership agreed in July 1999 to acquire 5.14835 Units for a total of $45,000 in cash. As provided in the Amended Partnership Agreement, Investing Partners will have a second right of presentment during the fourth quarter of 1999, based on a valuation date of June 30, 1999.

The Partnership is not in a position to predict how many Units will be presented for repurchase during the fourth quarter of 1999 and cannot, at this time, determine if the Partnership will have sufficient funds available to purchase Units. The Partnership has no obligation to purchase any Units presented to the extent it determines that it has insufficient funds for such purchases. The Amended Partnership Agreement contains limitations on the number of Units that the Partnership can repurchase, including a limit of 10 percent of the outstanding Units on an annual basis.

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

RESULTS OF OPERATIONS

NET INCOME AND REVENUE

The Partnership reported net income of $.9 million in the second quarter of 1999, versus $1.1 million in the prior year period. Net income per Investing Partner Unit decreased 20 percent, from $683 per Unit to $545 per Unit. Lower natural gas production and prices, and higher depreciation, depletion and amortization (DD&A) expense, contributed to the decline.

For the first half of 1999, net income of $1.6 million, or $971 per Investing Partner Unit, decreased 28 percent and 30 percent, respectively, from $2.3 million, or $1,379 per Investing Partner Unit, in the same period last year. The declines were attributable to lower natural gas prices and production, combined with higher DD&A expense.

Revenues decreased four percent, from $2.2 million in the second quarter of 1998 to $2.1 million in the second quarter of 1999. Natural gas and crude oil sales represented 74 percent and 25 percent, respectively, of the Partnership's total revenues during the second quarter of 1999. For the first six months of 1999, oil and gas production revenues decreased 14 percent to $3.7 million as lower natural gas prices and production more than offset small increases in oil production and prices. Natural gas and crude oil sales contributed 77 percent and 22 percent, respectively, to the Partnership's total revenues during the first half of 1999.

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

	FOR THE QUARTER ENDED JUNE 30,			FOR THE SIX MONTHS ENDED JUNE 30,		
	1999	1998	INCREASE (DECREASE)	1999	1998	INCREASE (DECREASE)
Gas volume - Mcf per day	8,198	8,943	(8%)	8,717	9,010	(3%)
Average gas price - per Mcf	$2.08	$2.21	(6%)	$1.83	$2.20	(17%)
Oil volume - barrels per day	344	297	16%	330	315	5%
Average oil price - per barrel	$16.30	$13.13	24%	$13.85	$13.33	4%

SECOND QUARTER 1999 COMPARED TO SECOND QUARTER 1998

Natural gas production revenues for the second quarter of 1999 totaled $1.5 million, 14 percent lower than the second quarter of 1998. Natural gas prices decreased six percent for the second quarter of 1999 compared to the year-earlier period, which negatively impacted revenue by $.1 million. Natural gas volumes for the quarter declined eight percent from a year ago due, in part, to downtime for repairs at Ship Shoal 259 and East Cameron 60.

The Partnership's crude oil production revenues for the second quarter of 1999 totaled $.5 million, a 44 percent increase from the second quarter of 1998. The $.2 million increase in oil sales was attributable to the 24 percent increase in average realized oil price and 16 percent increase in oil production.

YEAR-TO-DATE 1999 COMPARED TO YEAR-TO-DATE 1998

Gas sales for the first half of 1999 of $2.9 million decreased $.7 million, or 19 percent, when compared to the same period in 1998. Average realized gas prices decreased $.37 per Mcf, or 17 percent, when compared with the first six months of 1998, negatively impacting sales by $.6 million. Gas production for the first half of 1999 decreased by three percent when compared to the same period in 1998, negatively impacting revenues by $.1 million. Production decreases in 1999 were primarily due to natural declines in production.

For the six months ended June 30, 1999, oil sales increased nine percent to $.8 million when compared to the same period last year. The Partnership's oil sales revenues were favorably impacted by a five percent increase in oil production and a four percent increase in realized prices. The increase in oil production was attributable to recompletion projects.

OPERATING EXPENSES

The Partnership's DD&A rate, expressed as a percentage of oil and gas production revenues, was approximately 40 percent during the second quarter and first six months of 1999, compared to 34 percent and 33 percent, respectively, during the same periods in 1998. The increases in the DD&A rate was a result of lower natural gas prices in 1999.

Lease operating expense (LOE) was eight percent higher in the second quarter 1999 compared to the second quarter 1998 due to higher repair and maintenance expense. For the first half of 1999, LOE of $.4 million was down 10 percent from a year ago due to lower workover activity in 1999.

CASH FLOW, LIQUIDITY AND CAPITAL RESOURCES

CAPITAL RESOURCES AND LIQUIDITY

The Partnership's primary capital resource is net cash provided by operating activities, which was $3.7 million for the first half of 1999. Net cash provided by operating activities in 1999 was down two percent from a year ago, as the 28 percent decrease in net income in 1999 was largely offset by the impact of reduced revenue receivables. Future cash flows will be influenced similarly by fluctuations in product prices, production levels and operating costs.

CAPITAL COMMITMENTS

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

During the first six months of 1999, the Partnership's oil and gas property additions totaled $.6 million. These additions related primarily to recompletions at South Timbalier Block 295 and drilling activity at North Padre Block 969. Based on information supplied by the operators of the properties, the Partnership anticipates capital expenditures of approximately $.9 million for the remainder of 1999. The anticipated capital expenditures primarily relate to South Timbalier Block 295. Such estimates may change based on realized prices, drilling results or changes by the operator to the development plan.

The Partnership made a distribution to Investing Partners of $750 per Unit on March 18, 1999. The amount of future distributions will be dependent on actual and expected production levels, realized and expected oil and gas prices, expected drilling and recompletion expenditures, and prudent cash reserves for future dismantlement and abandonment costs that will be incurred after the Partnership's reserves are depleted.

As provided in the Amended Partnership Agreement, a first right of presentment offer for 1999 of $8,410 per Unit, plus interest to the date of payment, was made to Investing Partners, based on a valuation date of December 31, 1998. As a result, the Partnership agreed in July 1999 to acquire 5.14835 Units for a total of $45,000 in cash. As provided in the Amended Partnership Agreement, Investing Partners will have a second right of presentment during the fourth quarter of 1999, based on a valuation date of June 30, 1999. The Partnership is not in a position to predict how many Units will be presented for repurchase during the fourth quarter and cannot, at this time, determine if the Partnership will have sufficient funds available to repurchase Units. The Partnership has no obligation to purchase any Units presented to the extent it determines that it has insufficient funds for such purchases. The Amended Partnership Agreement contains limitations on the number of Units that the Partnership can repurchase, including a limit of 10 percent of the outstanding Units on an annual basis.

On May 18, 1999, the Managing Partner acquired from Shell Offshore Inc. and affiliated Shell entities (Shell) its interest in certain Gulf of Mexico properties, together with certain production-related assets and proprietary 3D seismic data. The purchase price, subject to post closing adjustments, was $686.5 million in cash and one million shares of Apache common stock. The impact of this acquisition on the Partnership is not known at this time.

In conjunction with the Shell transaction, Apache acquired Shell's interest in the South Timbalier 295 field. As an interest-owner in that field, the Partnership held a preferential right to purchase the acquired interest for $68 million. The Partnership waived that right.

IMPACT OF THE YEAR 2000 ISSUE

The inability of some computer programs and embedded computer chips to distinguish between the year 1900 and the year 2000 (the Year 2000 issue) poses a serious threat of business disruption to any organization that utilizes computer technology and computer chip technology in their business systems or equipment. Apache, as Managing Partner, manages the Partnership's operations. Apache uses a portion of its staff for this purpose and is reimbursed for actual costs paid on behalf of the Partnership, as well as for general, administrative and overhead costs properly allocable to the Partnership. Apache has formed a Year 2000 Task Force with representation from major business units to inventory and assess the risk of hardware, software, telecommunications systems, office equipment, embedded chip controls and systems, process control systems, facility control systems and dependencies on external trading partners. The project phases, expected completion dates and percentage complete as of June 1999 are as follows:

PHASE	COMPLETION DATE	PERCENT COMPLETE
Organization	July 1998	100%
Assessment	November 1998	100%
Desktop Computers		
Network Hardware		
Software		
Embedded Systems		
External Trading Partners		
Building/Infrastructure Systems		
Telecommunications Systems		
Implementation/Replacement	September 1999	75%
Computer Hardware		
Core Business Software		
Desktop Software		
Embedded Systems		
Building Systems		
Contact External Trading Partners	March 1999	100%
Contingency Planning	August 1999	90%

To date, the Managing Partner is not aware of any significant Year 2000 issues that would cause problems in the area of safety, environmental or business interruption. Apache has assessed the risks associated with hardware, software, infrastructure, embedded chips and external trading partners that are not Year 2000 compliant. While Apache is confident that Year 2000 remediation efforts will succeed in minimizing exposure to business disruption, plans are being developed that will allow continuation of business in all but the worst case scenarios. All remediation and replacement efforts and contingency planning are expected to be complete by September 1999. All critical external trading partners have been contacted to determine Year 2000 readiness. Such responses indicate they will be compliant by year-end.

In 1997, the Managing Partner initiated a project to replace existing business software as it relates to Apache's production, land, marketing, accounting and financial systems to more effectively and efficiently meet its business needs. Replacement computer systems selected by the Managing Partner from SAP America, Inc., PricewaterhouseCoopers LLP, Innovative Business Solutions and Landmark Graphics will properly recognize dates beyond December 31, 1999. The implementation of the business software project was completed and operational effective with January 1999 production.

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

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

FORWARD-LOOKING STATEMENTS AND RISK

Certain statements in this report, including statements of the future plans, objectives, and expected performance of the Partnership, are forward-looking statements that are dependent on certain events, risks and uncertainties that may be outside the Partnership's control and which could cause actual results to differ materially from those anticipated. Some of these include, but are not limited to, economic and competitive conditions, inflation rates, legislative and regulatory changes, financial market conditions, political and economic uncertainties of foreign governments, future business decisions, and other uncertainties, all of which are difficult to predict.

There are numerous uncertainties inherent in estimating quantities of proved oil and gas reserves and in projecting future rates of production and timing of development expenditures. The total amount or timing of actual future production may vary significantly from reserves and production estimates. The drilling of exploratory wells can involve significant risks, including those related to timing, success rates and cost overruns. Lease and rig availability, complex geology and other factors can affect these risks. Future oil and gas prices also could affect results of operations and cash flows.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. CHANGES IN SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits.

27.1 Financial Data Schedule.

b. Reports on Form 8-K - None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

APACHE OFFSHORE INVESTMENT PARTNERSHIP
By: Apache Corporation, General Partner

Dated: August 12, 1999 /s/ Roger B. Plank

Roger B. Plank
Vice President and Chief Financial Officer

Dated: August 12, 1999 /s/ Thomas L. Mitchell

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

INDEX TO EXHIBITS

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6-MOS
DEC-31-1999
JUN-30-1999
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654,334
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3,428,361
168,771,501
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