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 September 30, 2017

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 No.)**

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, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth 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	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 registrant's units outstanding as of September 30, 2017	1,022

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DESCRIPTION

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, 2016, 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,” “expect,” “intend,” “project,” “estimate,” “anticipate,” “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;
- the supply and demand for oil, natural gas, NGLs and other products or services;
- pipeline and gathering system capacity;
- production and reserve levels;
- drilling risks;
- economic and competitive conditions;
- the availability of capital resources;
- capital expenditure and other contractual obligations;
- weather conditions;
- inflation rates;
- the availability of goods and services;
- legislative or regulatory changes, including environmental regulation;
- terrorism and cyber-attacks;
- capital markets and related risks such as general credit, liquidity, market, and interest-rate risks; and
- other factors disclosed under Item 1A – “Risk Factors,” Item 2 – “Properties — Estimated Proved Reserves and Future Net Cash Flows,” 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 Form 10-K.

All subsequent written and oral forward-looking statements attributable to the Partnership, 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.

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

APACHE OFFSHORE INVESTMENT PARTNERSHIP
STATEMENT OF CONSOLIDATED OPERATIONS
(Unaudited)

	For the Quarter Ended September 30, 2017	For the Quarter Ended September 30, 2016	For the Nine Months Ended September 30, 2017	For the Nine Months Ended September 30, 2016
REVENUES:				
Oil and gas sales	$ 239,513	$ 327,784	$ 723,404	$ 1,021,124
Interest income	10,024	2,838	20,833	5,143
	249,537	330,622	744,237	1,026,267
EXPENSES:				
Depreciation, depletion and amortization:				
Recurring	67,187	120,227	207,451	421,236
Additional	—	209,027	—	2,873,180
Asset retirement obligation accretion	26,473	20,058	78,278	59,307
Lease operating expenses	113,133	131,127	421,583	447,391
Gathering and transportation costs	(5,111)	3,353	(2,342)	81,973
Administrative	78,849	87,000	236,543	261,000
	280,531	570,792	941,513	4,144,087
NET LOSS	$ (30,994)	$ (240,170)	$ (197,276)	$ (3,117,820)
NET INCOME (LOSS) ALLOCATED TO:				
Managing Partner	$ 5,279	$ 13,507	$ (3,041)	$ 23,162
Investing Partners	(36,273)	(253,677)	(194,235)	(3,140,982)
	$ (30,994)	$ (240,170)	$ (197,276)	$ (3,117,820)
NET LOSS PER INVESTING PARTNER UNIT	$ (36)	$ (248)	$ (190)	$ (3,075)
WEIGHTED AVERAGE INVESTING PARTNER UNITS OUTSTANDING	1,021.5	1,021.5	1,021.5	1,021.5

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

APACHE OFFSHORE INVESTMENT PARTNERSHIP
STATEMENT OF CONSOLIDATED CASH FLOWS
(Unaudited)

	For the Nine Months Ended September 30, 2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (197,276)	$ (3,117,820)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation, depletion and amortization	207,451	3,294,416
Asset retirement obligation accretion	78,278	59,307
Changes in operating assets and liabilities:		
Accrued receivables	27,979	32,667
Receivable from/payable to Apache Corporation	3,631	(6,350)
Other payables	—	(84,249)
Accrued operating expenses	(5,800)	(116,671)
Asset retirement expenditures	(1,319)	(290,458)
Net cash provided by (used in) operating activities	112,944	(229,158)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to oil and gas properties	(36,113)	(38,187)
Net cash used in investing activities	(36,113)	(38,187)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions from Managing Partner	—	9,683
Distributions to Managing Partner	(16,333)	—
Net cash provided by (used in) financing activities	(16,333)	9,683
NET DECREASE IN CASH AND CASH EQUIVALENTS	60,498	(257,662)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,035,668	5,246,452
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 5,096,166	$ 4,988,790

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

APACHE OFFSHORE INVESTMENT PARTNERSHIP
CONSOLIDATED BALANCE SHEET
(Unaudited)

	September 30, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 5,096,166	$ 5,035,668
Accrued revenues receivable	95,113	123,092
Receivable from Apache Corporation	1,168	4,799
	5,192,447	5,163,559
OIL AND GAS PROPERTIES, on the basis of full cost accounting:		
Proved properties	194,969,668	194,893,233
Less – Accumulated depreciation, depletion and amortization	(190,844,079)	(190,636,628)
	4,125,589	4,256,605
	$ 9,318,036	$ 9,420,164
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES:		
Current asset retirement obligation	$ 163,636	$ —
Accrued operating expenses	91,414	97,214
Accrued development costs	48,942	9,410
	303,992	106,624
ASSET RETIREMENT OBLIGATION	1,666,804	1,752,691
PARTNERS' CAPITAL:		
Managing Partner	426,856	446,230
Investing Partners (1,021.5 units outstanding)	6,920,384	7,114,619
	7,347,240	7,560,849
	$ 9,318,036	$ 9,420,164

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

Apache Offshore Investment Partnership, a Delaware general partnership (the Investment Partnership), was formed on October 31, 1983, consisting of Apache Corporation, a Delaware corporation (Apache or the Managing Partner), as Managing Partner and public investors (the Investing Partners). The Investment Partnership invested its entire capital in Apache Offshore Petroleum Limited Partnership, a Delaware limited partnership (the Operating Partnership). The primary business of the Investment Partnership is to serve as the sole limited partner of the Operating Partnership. The accompanying financial statements include the accounts of both the Investment Partnership and the Operating Partnership. The term "Partnership," as used herein, refers to the Investment Partnership or the Operating Partnership, as the case may be.

These financial statements have been prepared by the Partnership, 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 Partnership believes that the disclosures are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which contains a summary of the Partnership's significant accounting policies and other disclosures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As of September 30, 2017, the Partnership's significant accounting policies are consistent with those discussed in Note 2 of its consolidated financial statements contained in the Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

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 and disclosure of contingent 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 estimate of proved oil and gas reserve quantities and the related present value of estimated future net cash flows therefrom and the assessment of asset retirement obligations. Actual results could differ from those estimates.

Oil and Gas Property

The Partnership 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, and oil and gas property acquisitions are capitalized. The net book value of oil and gas properties may not exceed a calculated "ceiling." The ceiling limitation is the estimated future net cash flows from proved oil and gas reserves, discounted at 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. For a discussion of the calculation of estimated future net cash flows, please refer to Note 10—Supplemental Oil and Gas Disclosures to the consolidated financial statements contained in the Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

Any excess of the net book value of proved oil and gas properties over the ceiling is charged to expense and reflected as "Additional depreciation, depletion and amortization" in the accompanying statement of consolidated operations. Such limitations are tested quarterly. The Partnership had no non-cash write-downs of the carrying value of its proved oil and gas properties during the third quarter and first nine months of 2017. The Partnership recorded non-cash write-downs of the carrying value of its proved oil and gas properties totaling $209,027 during the third quarter of 2016 and $2,873,180 during the first nine months of 2016.

New Pronouncements Issued But Not Yet Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, "Leases (Topic 842)," requiring lessees to recognize lease assets and lease liabilities for most leases classified as operating leases under previous U.S. GAAP. The guidance is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The Partnership will be required to use a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. The Partnership does not intend to early adopt. As part of the assessment to date, the Partnership has formed an implementation work team and is continuing to evaluate contracts to determine the impact this ASU will have on its consolidated financial statements. At this time, the Partnership cannot reasonably estimate the financial impact this will have 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, "Revenue from Contracts with Customers (Topic 606)." The new standard removes inconsistencies in existing standards, changes the way companies recognize revenue from contracts with customers, and increases disclosure requirements. The codification was amended through additional ASUs and, as amended, 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. The guidance is effective for annual and interim periods beginning after December 15, 2017. 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. Based on the evaluation of contracts in each of the Partnership's revenue streams, the Partnership does not expect the adoption of this ASU to have a material impact on its consolidated financial statements. The Partnership is continuing to evaluate the disclosure requirements, developing accounting policies, and assessing changes to the relevant business processes and the control activities within them as a result of the provisions of this ASU. The Partnership will adopt the new standard on January 1, 2018, utilizing the modified retrospective approach.

2. RECEIVABLE FROM / PAYABLE TO APACHE CORPORATION

The receivable from/payable to Apache represents the net result of the Investing Partners’ revenue received and expenditures paid in the current month. Generally, cash in this amount will be paid by Apache to the Partnership or transferred to Apache in the month after the Partnership’s transactions are processed and the net results of operations are determined.

3. RIGHT OF PRESENTMENT

As provided in the Partnership Agreement, as amended (Amended Partnership Agreement), a first right of presentment valuation was computed during the first quarter of 2017. The per-unit value was determined to be $9,242 based on the valuation date of December 31, 2016. A second right of presentment valuation was computed during October 2017, and the per-unit value was determined to be $8,794 based on a valuation date of June 30, 2017. The Partnership did not repurchase any Investing Partner Units (Units) during the first nine months of 2017 and is not expected to purchase any Units in the fourth quarter of 2017. The per-unit right of presentment value computed during the first quarter of 2016 was determined to be $6,057 based on the valuation date of December 31, 2015, and the second per-unit right of presentment in 2016 was $6,091 based on a valuation date of June 30, 2016. The Partnership also did not repurchase any Units during the first nine months of 2016. Pursuant to the Amended Partnership Agreement, the Partnership has no obligation to purchase any Units presented to the extent it determines that it has insufficient funds for such purchases.

4. ASSET RETIREMENT OBLIGATIONS

The following table describes the changes to the Partnership's asset retirement obligation liability for the first nine months of 2017:

Asset retirement obligation at December 31, 2016	$	1,752,691
Accretion expense		78,278
Liabilities settled		(529)
Asset retirement obligation at September 30, 2017		1,830,440
Less current portion		(163,636)
Asset retirement obligation, long-term	$	1,666,804

5. FAIR VALUE MEASUREMENTS

Certain assets and liabilities are reported at fair value on a recurring basis in the Partnership's consolidated balance sheet. As of September 30, 2017 and December 31, 2016, the carrying amounts of the Partnership's current assets and current liabilities approximated fair value because of the short-term nature or maturity of these instruments.

The Partnership did not use derivative financial instruments or otherwise engage in hedging activities during the nine months ended September 30, 2017 and 2016.

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

The following discussion relates to Apache Offshore Investment Partnership (the Partnership) and should be read in conjunction with the Partnership's 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 its consolidated financial statements, accompanying notes and related Management's Discussion and Analysis of Financial Condition and Results of Operations, included in the Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

The Partnership's business is participation in oil and gas development and production activities on federal lease tracts in the Gulf of Mexico, offshore Louisiana and Texas.

Results of Operations

Net Income and Revenue

The Partnership reported a net loss of $30,994 ($36 per Investing Partner Unit) for the third quarter of 2017 compared to a net loss of $240,170 ($248 per Investing Partner Unit) in the third quarter of 2016. The loss for 2016 included a $209,027 non-cash write-down in the carrying value of the Partnership's oil and gas properties.

For the first nine months of 2017, the Partnership recorded a net loss of $197,276 ($190 per Investing Partner Unit) compared to a net loss of $3.1 million ($3,075 per Investing Partner Unit) in the comparable period of 2016. The loss for 2016 included a $2.9 million non-cash write-down in the carrying value of the Partnership's oil and gas properties.

Total revenues in the third quarter of 2017 decreased 25 percent from the third quarter of 2016 on lower crude oil and natural gas production volumes offset by higher crude oil price realizations. Total revenues in the first nine months of 2017 decreased 27 percent from the first nine months of 2016 from lower production volumes as a result of third-party pipeline interruptions. The Partnership's crude oil, natural gas, and natural gas liquids (NGL) production volume and price information is summarized in the following table (gas volumes are presented in thousand cubic feet (Mcf) per day):

	For the Quarter Ended September 30,			For the Nine Months Ended September 30,		
	2017	2016	Increase (Decrease)	2017	2016	Increase (Decrease)
Gas volume – Mcf per day	111	278	(60)%	121	323	(63)%
Average gas price – per Mcf	$ 3.04	$ 3.10	(2)%	$ 3.61	$ 2.29	58 %
Oil volume – barrels per day	48	61	(21)%	46	73	(37)%
Average oil price – per barrel	$ 45.92	$ 42.03	9 %	$ 47.34	$ 38.74	22 %
NGL volume – barrels per day	3	6	(50)%	2	10	(80)%
Average NGL price – per barrel	$ 19.32	$ 24.99	(23)%	$ 22.72	$ 16.74	36 %

Oil and Gas Sales

The Partnership's crude oil sales for the third quarter of 2017 totaled $203,243, down 14 percent compared to $235,129 in the third quarter of 2016. Crude oil volumes decreased to 48 barrels per day in the third quarter of 2017 compared to 61 barrels per day in the prior year period. The lower production was a result of natural depletion and the second quarter 2017 shut-down of the South Timbalier 295 third-party pipeline, which did not come back on-line until the end of July 2017. The decline in production reduced oil sales by $53,624. The Partnership's average realized price in the third quarter of 2017 increased $3.89 per barrel from the third quarter of 2016, which increased sales by $21,738.

Natural gas sales of $31,005 were recognized in the third quarter of 2017, down 61 percent from the equivalent 2016 period. The Partnership's average realized natural gas price for the quarter decreased $0.06 per Mcf, or 2 percent, from the third quarter of 2016, decreasing sales by $1,629 from the prior year period. Natural gas volumes decreased 60 percent from the third quarter of 2016, decreasing sales by $46,830. The lower production was a result of the second quarter 2017 pipeline shut-down at South Timbalier 295 and unplanned maintenance of the Ship Shoal 258/259 third-party pipeline. The shutdown of the Ship Shoal 258/259 pipeline began in March 2017 and natural gas production was shut-in for the entire third quarter of 2017. No timing has been provided on when operations are expected to resume. The production at South Timbalier 295 came back on-line at the end of July 2017.

Crude oil sales for the first nine months of 2017 totaled $592,870, down 23 percent compared to $773,879 in the same period in 2016. The Partnership's average realized oil price for the first nine months of 2017 was $47.34 per barrel, up 22 percent from the first nine months of 2016. The Partnership's crude oil volumes decreased to 46 barrels per day in the first nine months of 2017, down 37 percent compared to the first nine months of 2016. The lower production was a direct result of third-party pipeline interruptions at South Timbalier 295 and natural depletion.

Natural gas sales for the first nine months of 2017 totaled $119,552, down 41 percent compared to $202,027 during the first nine months of 2016. The Partnership's average realized gas prices increased 58 percent from $2.29 per Mcf in the first nine months of 2016 to $3.61 per Mcf in 2017, increasing sales by $117,212. A 202 Mcf per day, or 63 percent decrease in natural gas volumes during the first nine months of 2017 from the same period a year ago decreased sales by $199,687. The Partnership's decrease in gas production in 2017 primarily reflected the third-party pipeline interruptions at both Ship Shoal 258/259 and South Timbalier 295.

The Partnership sold 2 barrels per day of natural gas liquids in the first nine months of 2017, down from 10 barrels per day in the first nine months of 2016. The decrease reflected lower processed volumes at South Timbalier 295 in 2017. NGL prices for the first nine months increased 36 percent from a year ago, rising to $22.72 per barrel in 2017.

Since the Partnership does not anticipate acquiring additional acreage or conducting exploratory drilling on leases in which it currently holds an interest, declines in oil and gas production can generally be expected in future periods as a result of natural depletion. Also, given the small number of producing wells owned by the Partnership and exposure to inclement weather and pipeline interruptions in the Gulf of Mexico, the Partnership's production during the remainder of 2017 and beyond may be subject to more volatility than those companies with a larger or more diversified property portfolio.

Operating Expenses

The Partnership's recurring depreciation, depletion and amortization (DD&A), expressed as a percentage of oil and gas sales, was approximately 28 percent and 29 percent for the third quarter and first nine months of 2017, respectively, and approximately 37 percent and 41 percent for the third quarter and first nine months of 2016, respectively. The decreased rate of DD&A as a percentage of oil and gas sales in 2017 reflected the lower capitalized property balance resulting from ceiling test write-downs recognized throughout 2016 and lower oil and gas sales from decreased production during 2017.

Under the full cost method of accounting, the Partnership is required to review the carrying value of its proved oil and gas properties each quarter. Under these rules, capitalized costs of oil and gas properties, net of accumulated DD&A, may not exceed the present value of estimated future net cash flows from proved oil and gas reserves discounted at 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. The Partnership wrote-down the carrying value of its oil and gas properties by approximately $0.2 million during the third quarter of 2016 and $2.9 million in the first nine months of 2016. The write-downs are reflected as additional DD&A expense. If commodity prices experience declines to levels lower than prices realized in the previous 12 months, the Partnership may be required to recognize additional non-cash write-downs of the carrying value of its oil and gas properties in future periods.

Lease operating expenses (LOE) for the third quarter of 2017 of $113,133 decreased 14 percent from the third quarter of 2016. LOE for the first nine months of 2017 of $421,583 decreased 6 percent from the first nine months of 2016. Gathering and transportation costs were impacted by prolonged pipeline interruptions and unexpected production downtime, which led to adjustments resulting in a net benefit of $5,111 and $2,342 for the third quarter and first nine months of 2017, respectively. The decline in gathering and transportation costs was also impacted by a change in marketing arrangements when the Managing Partner began marketing the Partnership's share of oil production from South Timbalier 295, the Partnership's largest source of oil production.

Capital Resources and Liquidity

The Partnership’s primary capital resource is net cash provided by operating activities. During the first nine months of 2017, the Partnership had $112,944 of positive cash flows from operating activities. The Partnership had negative cash provided by operations totaling $229,158 in the first nine months of 2016 as the Partnership funded liabilities for accrued asset retirement obligations during the prior year period.

At September 30, 2017, the Partnership had approximately $5.1 million in cash and cash equivalents, slightly up from $5.0 million at December 31, 2016. The Partnership’s goal is to maintain cash and cash equivalents at least sufficient to cover the undiscounted value of its future asset retirement obligation liability. The Partnership also plans to reserve funds for repairs which may disrupt the Partnership’s production and for future recompletion operations.

The Partnership’s future financial condition, results of operations, and cash from operating activities will largely depend upon prices received for its oil and natural gas production. A substantial portion of the Partnership’s production is sold under market-sensitive contracts. Prices for oil and natural gas are subject to fluctuations in response to changes in supply, market uncertainty, and a variety of factors beyond the Partnership’s control. These factors include worldwide political and economic conditions, the foreign and domestic supply of oil and natural gas, the price of foreign imports, the level of consumer demand, weather, and the price and availability of alternative fuels.

The Partnership’s oil and gas reserves and production will also significantly impact future results of operations and cash from operating activities. The Partnership’s production is subject to fluctuations in response to remaining quantities of oil and gas reserves, weather, pipeline capacity, consumer demand, mechanical performance and workover, recompletion and drilling activities. Declines in oil and gas production can be expected in future years as a result of normal depletion and the non-participation in acquisition or exploration activities by the Partnership. Based on production estimates from independent engineers and current market conditions, the Partnership forecasts it will be able to meet its liquidity needs for routine operations in 2017 and 2018. The Partnership will reduce capital expenditures and distributions to partners as cash from operating activities declines.

In the event that future short-term operating cash requirements are greater than the Partnership’s financial resources, the Partnership may seek short-term, interest-bearing advances from the Managing Partner as needed. The Managing Partner, however, is not obligated to make loans to the Partnership.

Capital Commitments

The Partnership’s primary needs for cash are for operating expenses, recompletion expenditures, future dismantlement and abandonment costs, distributions to Investing Partners, and the purchase of Units offered by Investing Partners under the right of presentment. To the extent there is discretion, the Partnership allocates available capital to investment in the Partnership’s properties so as to maximize production and resultant cash flow. The Partnership had no outstanding debt or lease commitments at September 30, 2017. The Partnership did not have any contractual obligations as of September 30, 2017, other than the liability for dismantlement and abandonment costs of its oil and gas properties. The Partnership has recorded a separate liability for the present value of this asset retirement obligation as discussed in the notes to the financial statements included in the Partnership’s latest Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

The Partnership had $36,113 and $38,187 of cash outlays for capital expenditures during the first nine months of 2017 and 2016, respectively. The capital expenditures are primarily related to recompletion activity at South Timbalier 295 and costs incurred to reroute pipeline access. Based on information supplied by the operators of the properties, the Partnership anticipates capital expenditures of approximately $0.1 million during the remainder of 2017 for recompletion activity and continued infrastructure modifications. Final abandonment activity for removal of the platforms at North Padre Island 969/976 has been deferred until 2018. Capital estimates may change based on realized oil and gas prices, recompletion results, changes by the operator to their development or abandonment plans, or changes in government regulations.

Because of production declines, prolonged third-party pipeline downtime, and the need to reserve cash for future asset retirement obligations, no distributions were made to Investing Partners during the first nine months of 2017, and no distributions to Investing Partners are anticipated during the fourth quarter of 2017. The Partnership also made no distribution to Investing Partners during the first nine months of 2016 as a result of low product prices.

The amount of future distributions will be dependent on actual and expected production levels, realized and anticipated 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. The Partnership’s goal is to maintain cash and cash equivalents in the Partnership at least sufficient to cover the undiscounted value of its future asset retirement obligations. The Partnership will review available cash balances, any development or abandonment plans submitted by the operators of the Partnership’s properties, and the factors noted above to determine whether there are sufficient funds to make a distribution to Investing Partners during the first half of 2018.

As provided in the Amended Partnership Agreement, a first right of presentment valuation was computed during the first quarter of 2017. The per-unit value was determined to be $9,242 based on the valuation date of December 31, 2016. A second right of presentment valuation was computed during October 2017, and the per-unit value was determined to be $8,794 based on a valuation date of June 30, 2017. The Partnership did not repurchase any Investing Partner Units (Units) during the first nine months of 2017, and is not expected to purchase any Units in the fourth quarter of 2017 as a result of the Partnership's limited amount of cash available for discretionary purposes. Pursuant to the Amended Partnership Agreement, the Partnership has no obligation to repurchase any Units presented to the extent it determines that it has insufficient funds for such purchases.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Risk

The Partnership's major market risk exposure is in the pricing applicable to its oil and gas production. Realized pricing is primarily driven by the prevailing worldwide price for crude oil and spot prices applicable to its natural gas production. Prices received for the Partnership's crude oil, natural gas, and NGLs have historically been and continue to be very volatile because of unpredictable events such as economic growth or retraction, weather, political climate, and global supply and demand. The Partnership did not use derivative financial instruments or otherwise engage in hedging activities during the first nine months of 2017 or 2016.

The information set forth under "Commodity Risk" in Item 7A of the Partnership's Form 10-K for the fiscal year ended December 31, 2016, is incorporated by reference. Information about market risks for the current quarter is not materially different.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

John J. Christmann IV, the Managing Partner's Chief Executive Officer and President (in his capacity as principal executive officer), and Stephen J. Riney, the Managing Partner's Executive Vice President and Chief Financial Officer (in his capacity as principal financial officer), evaluated the effectiveness of the Partnership's disclosure controls and procedures as of September 30, 2017, 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 Partnership's disclosure controls and procedures were effective, providing effective means to ensure that the information it is required to disclose under applicable laws and regulations is recorded, processed, summarized and reported within the time periods specified under the Commission's rules and forms and communicated to our management, including the Managing Partner's principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

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

None.

ITEM 1A. RISK FACTORS

During the nine months ended September 30, 2017, there were no material changes from the risk factors as previously disclosed in the Partnership's Form 10-K for the fiscal year ended December 31, 2016.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

a. Exhibits

[P]3.1	Partnership Agreement of Apache Offshore Investment Partnership (incorporated by reference to Exhibit (3)(i) to Form 10 filed by Partnership with the Commission on April 30, 1985, Commission File No. 0-13546).
[P]3.2	Amendment No. 1, dated February 11, 1994, to the Partnership Agreement of Apache Offshore Investment Partnership (incorporated by reference to Exhibit 3.3 to Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 1993, Commission File No. 0-13546).
[P]3.3	Limited Partnership Agreement of Apache Offshore Petroleum Limited Partnership (incorporated by reference to Exhibit (3)(ii) to Form 10 filed by Partnership with the Commission on April 30, 1985, Commission File No. 0-13546).
*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.DEF	XBRL Definition Linkbase Document.
*101.LAB	XBRL Label Linkbase Document.
*101.PRE	XBRL Presentation Linkbase Document.

* Filed herewith.

P Filed previously in paper format.

SIGNATURES

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

APACHE OFFSHORE INVESTMENT PARTNERSHIP
By: Apache Corporation, Managing Partner

Dated: November 2, 2017

/s/ Stephen J. Riney

Stephen J. Riney
Executive Vice President and Chief Financial Officer
(principal financial officer) of Apache Corporation,
Managing Partner

Dated: November 2, 2017

/s/ Rebecca A. Hoyt

Rebecca A. Hoyt
Senior Vice President, Chief Accounting Officer
and Controller (principal accounting officer)
of Apache Corporation, Managing Partner

Exhibit 31.1

CERTIFICATIONS

I, John J. Christmann IV, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Apache Offshore Investment Partnership;
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 IV

John J. Christmann IV
Chief Executive Officer and President
(principal executive officer) of Apache
Corporation, Managing Partner

Date: November 2, 2017

Exhibit 31.2

CERTIFICATIONS

I, Stephen J. Riney, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Apache Offshore Investment Partnership;
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) of Apache Corporation,
Managing Partner

Date: November 2, 2017

Exhibit 32.1

APACHE OFFSHORE INVESTMENT PARTNERSHIP
by Apache Corporation, Managing Partner

Certification of Principal Executive Officer
and Principal Financial Officer

I, John J. Christmann IV, 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 Offshore Investment Partnership for the quarterly period ending September 30, 2017, 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 Offshore Investment Partnership.

/s/ John J. Christmann IV

By:	John J. Christmann IV
Title:	Chief Executive Officer and President (principal executive officer) of Apache Corporation, Managing Partner

Date: November 2, 2017

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 Offshore Investment Partnership for the quarterly period ending September 30, 2017, 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 Offshore Investment Partnership.

/s/ Stephen J. Riney

By:	Stephen J. Riney
Title:	Executive Vice President and Chief Financial Officer (principal financial officer) of Apache Corporation, Managing Partner

Date: November 2, 2017