

APACHE CORP  
Form 424B2  
August 18, 2010

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<b>Title of Each Class of Securities to be Registered</b>	<b>Amount Registered</b>	<b>Proposed Maximum Offering Price</b> <b>Per Unit</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee(1)</b>
5.100% Notes due 2040	\$ 1,500,000,000	98.936%	\$ 1,484,040,000	\$ 105,813

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

**Filed Pursuant to Rule 424(b)(2)**  
**Registration No. 333-155884**

**PROSPECTUS SUPPLEMENT**  
**(To Prospectus Dated December 2, 2008)**

**Apache Corporation**

**\$1,500,000,000 5.100% Notes due 2040**

We are offering \$1,500,000,000 aggregate principal amount of 5.100% notes due 2040. Interest on the notes will be paid semi-annually in arrears on March 1 and September 1 of each year, beginning on March 1, 2011. The notes will mature on September 1, 2040. We may redeem some or all of the notes at any time or from time to time at the redemption prices calculated as described in this prospectus supplement under **Description of Notes** **Optional Redemption**. The notes do not have the benefit of any sinking fund.

The notes will be our general unsecured senior obligations and will rank equally with all of our other unsecured senior indebtedness from time to time outstanding. The notes will be issued only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will not be listed on any securities exchange.

**Investing in the notes involves risks. See **Risk Factors** beginning on page S-10 of this prospectus supplement.**

	<b>Per Note</b>	<b>Total</b>
Public offering price(1)	98.936%	\$ 1,484,040,000
Underwriting discount	0.875%	\$ 13,125,000
Proceeds, before expenses, to us	98.061%	\$ 1,470,915,000

(1) Plus accrued interest, if any, from August 20, 2010, if settlement occurs after that date.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus to which it relates. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the notes in book-entry form only through the facilities of the Depository Trust Company on or about August 20, 2010.

*Joint Book-Running Managers*

BofA Merrill Lynch  
Goldman, Sachs & Co.

BNP PARIBAS  
J.P. Morgan

HSBC

Citi  
Wells Fargo Securities

*Co-Managers*

Mizuho Securities USA Inc.

SOCIETE GENERALE

TD Securities

August 17, 2010

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

We have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the respective dates on the front covers of those documents. You should assume that the information incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date the respective information was filed with the SEC. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus supplement is part of a registration statement that we have filed with the SEC utilizing a shelf registration process. Under this shelf process, we are offering to sell the notes, using this prospectus supplement and the accompanying prospectus. This prospectus supplement describes the specific terms of this offering. The accompanying prospectus and the information incorporated by reference therein describe our business and give more general information, some of which may not apply to this offering. Generally, when we refer in this prospectus supplement only to the prospectus, we are referring to both parts combined. You should read this prospectus supplement together with the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus before making a decision to invest in the notes. If the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement is inconsistent with the accompanying prospectus, the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement will apply and will supersede that information in the accompanying prospectus.

We have filed with the SEC a registration statement on Form S-3 with respect to the securities offered hereby. This prospectus supplement and the accompanying prospectus do not contain all the information set forth in the registration statement, parts of which are omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and the securities offered hereby, reference is made to the registration statement and the exhibits that are a part of the registration statement.

In this prospectus supplement, unless the context indicates otherwise, the terms Apache, we, us, Company and ou refer to Apache Corporation and its subsidiaries.

Our name, logo and other trademarks mentioned in this prospectus supplement are the property of their respective owners.

**DOCUMENTS INCORPORATED BY REFERENCE**

We have incorporated by reference in this prospectus supplement and the accompanying prospectus certain documents that we file with the SEC. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. This information incorporated by reference is a part of this prospectus supplement and the accompanying prospectus, unless we provide you with different information in this prospectus supplement or the accompanying prospectus or the information is modified or superseded by a subsequently filed document. Any information referred to in this way is considered part of this prospectus supplement and the accompanying prospectus from the date we file that document.

Any reports filed by us pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, on or after the date of this prospectus supplement and before the completion of this offering of notes will be deemed to be incorporated by reference into this prospectus supplement and the accompanying prospectus and will automatically update, where applicable, and supersede any information contained in this prospectus supplement or the accompanying prospectus or incorporated by reference into this prospectus supplement and the accompanying prospectus. Some documents or information, such as that furnished under Items 2.02 or 7.01, or the exhibits related thereto under Item 9.01, of Form 8-K, are deemed furnished and not filed in accordance with SEC rules. None of those documents and none of that information is incorporated by reference in this prospectus supplement or the accompanying prospectus.

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This prospectus supplement and the accompanying prospectus incorporate the documents listed below that we have previously filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules). They contain important information about us, our business and our financial condition.

<b>Apache SEC Filings</b>	<b>Period or Date Filed</b>
Annual Report on Form 10-K (including information specifically incorporated by reference into the Annual Report on Form 10-K from our Definitive Proxy Statement on Schedule 14A, filed on March 31, 2010)	Year ended December 31, 2009
Quarterly Report on Form 10-Q	Quarter ended March 31, 2010
Quarterly Report on Form 10-Q/A	Quarter ended June 30, 2010
Current Reports on Form 8-K	Filed on January 14, 2010, January 19, 2010, April 15, 2010, April 16, 2010, May 11, 2010, July 20, 2010, July 21, 2010 (two filings), July 28, 2010, August 3, 2010, August 11, 2010 and August 16, 2010
The section entitled "Additional Information About Apache" in our Registration Statement on Form S-4	Filed on May 19, 2010 and amended on June 29, 2010 and on August 4, 2010

You can obtain any of the documents incorporated by reference in this prospectus supplement and the accompanying prospectus from us or from the SEC through the SEC's web site at [www.sec.gov](http://www.sec.gov) or by mail from the SEC's Public Reference Room located at 100 F Street, N.E., Room 1580, Washington, DC 20549, at prescribed rates. Documents incorporated by reference are available from us without charge, excluding any exhibits to those documents unless we specifically incorporated by reference the exhibit in this prospectus supplement and the accompanying prospectus. You can obtain these documents from us by requesting them in writing or by telephone at the following address or number:

Apache Corporation  
2000 Post Oak Boulevard  
Houston, Texas 77056  
Telephone: (713) 296-6000

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus contain statements that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, or the Securities Act, and Section 21E of the Exchange Act.

These statements relate to future events or our future financial performance, which involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, you can identify forward looking statements by terminology such as expect, anticipate, estimate, intend, may, will, would, should, predict, potential, plans, believe or the negative of these terms or similar terminology.

Forward-looking statements are not guarantees of performance. Actual events or results may differ materially because of market conditions in our markets or other factors. Moreover, we do not, nor does any other person, assume responsibility for the accuracy and completeness of those statements. Unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update any of the forward-looking statements after the date of this prospectus supplement. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed under Risk Factors in this prospectus supplement and under Risk Factors and Quantitative and Qualitative Disclosures About Market Risk Forward-Looking Statements and Risk in our Annual Report on Form 10-K for the year ended December 31, 2009 and our Quarterly Report on Form 10-Q/A for the quarter ended June 30, 2010 (both of which are incorporated by reference in this prospectus supplement and the accompanying prospectus) and similar sections in any subsequent filings that we incorporate by reference in this prospectus supplement and the accompanying prospectus, which describe risks and factors that could cause results to differ materially from those projected in those forward-looking statements.

Those risk factors may not be exhaustive. We operate in a continually changing business environment, and new risk factors emerge from time to time. We cannot predict these new risk factors, nor can we assess the impact, if any, of these new risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results.

In addition to the foregoing matters, there are important factors related to the BP Acquisition described elsewhere in this prospectus supplement that could cause the actual results of the BP Acquisition to differ materially from what we currently expect, including without limitation:

the timing of the receipt of regulatory approvals and third party consents required for the consummation of the various property acquisitions;

the imposition by regulatory authorities of conditions on the future operation of the BP Properties in connection with the receipt of regulatory approvals;

the exercise of preferential purchase rights with respect to certain of the BP Properties;

the integration of the operations of the BP Properties with ours; and

the occurrence of a case or proceeding under the bankruptcy or insolvency laws of any jurisdiction involving BP or its affiliates who are parties to or have guaranteed obligations under the agreements related to the BP Acquisition.

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**SUMMARY**

*This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before making an investment decision. We urge you to read the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus carefully, including the historical financial statements and notes to those financial statements incorporated by reference in this prospectus supplement and the accompanying prospectus. Please read Risk Factors and Cautionary Statement Regarding Forward-Looking Information in this prospectus supplement and Risk Factors and Quantitative and Qualitative Disclosures About Market Risk Forward-Looking Statements and Risk in our Annual Report on Form 10-K for the year ended December 31, 2009 and our subsequently filed Exchange Act reports for more information about important risks that you should consider before investing in the notes.*

**Apache Corporation**

We are an independent energy company that explores for, develops and produces natural gas, crude oil and natural gas liquids. In North America, our exploration and production interests are focused in the Gulf of Mexico, the Gulf Coast, East Texas, the Permian Basin, the Anadarko Basin and the Western Sedimentary Basin of Canada. Outside of North America, we have exploration and production interests onshore Egypt, offshore Western Australia, offshore the U.K. in the North Sea and onshore Argentina. We also have exploration interests on the Chilean side of the island of Tierra del Fuego.

The address of our principal executive offices is 2000 Post Oak Boulevard, Houston, Texas 77056, and our telephone number at this address is (713) 296-6000.

**Recent Developments**

**Pending Acquisitions**

***Potential BP Acquisition***

On July 20, 2010, we announced the signing of three definitive purchase and sale agreements (which we refer to as the BP Purchase Agreements ) to acquire the following properties (which we refer to as the BP Properties ) from subsidiaries of BP plc (we refer to BP plc and such subsidiaries collectively as BP ) for aggregate consideration of approximately \$7.0 billion, subject to customary adjustments in accordance with the BP Purchase Agreements (which we refer to as the BP Acquisition ):

*Permian Basin.* All of BP's oil and gas operations, related infrastructure and acreage in the Permian Basin of West Texas and New Mexico. The assets include interests in 10 field areas in the Permian Basin (including Block 16/Coy Waha, Block 31, Brown Basset, Empire/Yeso, Pegasus, Southeast Lea, Spraberry, Wilshire, North Misc and Delaware Penn), approximately 405,000 net mineral and fee acres, 358,000 leasehold acres, approximately 3,629 active wells and three gas processing plants, two of which are currently operated by BP. Based on our investigation and review of data provided by BP, these assets produced 15,110 barrels of liquids and 81 million cubic feet (MMcf) of gas per day in the first six months of 2010. The Permian Basin assets had estimated net proved reserves of 141 million barrels of oil equivalent (MMboe) at June 30, 2010 (65 percent liquids).

*Western Canada Sedimentary Basin.* Substantially all of BP's Western Canadian upstream gas assets, including 1,278,000 net mineral and leasehold acres, interests in approximately 1,600 active wells, eight operated and 14 non-operated gas processing plants. The position includes many attractive drilling opportunities ranging from conventional to several unconventional targets, including shale gas, tight gas and coal bed methane in historically productive formations including the Montney, Cadomin and Doig. Based on our investigation and review of data provided by BP, during the first half of 2010 these properties accounted for 6,529 barrels of liquids and 240 MMcf of gas per day and had estimated net

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proved reserves of 223.7 MMboe at June 30, 2010 (94 percent gas). We currently have operations in approximately half of these 13 field areas.

*Western Desert, Egypt.* BP's interests in four development licenses and one exploration concession (East Badr El Din), covering 394,000 net acres south of El Alamein in the Western Desert of Egypt. These properties are operated by Gulf of Suez Petroleum Company, a joint venture between BP and the Government of Egypt. The transaction includes BP's interests in 65 active wells, a 24-inch gas line to Dashour, a liquefied petroleum gas plant in Dashour, a gas processing plant in Abu Gharadig and a 12-inch oil export line to the El Hamra Terminal on the Mediterranean Sea. Based on our investigation and review of data provided by BP, during the first six months of 2010 these properties accounted for 6,016 barrels of oil and 11 MMcf of gas per day of BP's production, and had estimated net proved reserves of 20.2 MMboe at June 30, 2010 (59 percent liquids). The BP Properties in Egypt are complementary to the over 11 million gross acres in 21 separate concessions in the Western Desert we currently hold. The Merged Concession Agreement related to the development licenses runs through 2024, subject to a five year extension at the option of the operator.

Of the \$7.0 billion purchase price, \$3.1 billion is applicable to the Permian Basin properties, \$3.25 billion is applicable to the Canadian properties and \$650 million is applicable to the Egyptian properties. The effective date of the BP Acquisition is July 1, 2010. Apache Corporation guaranteed the performance of the obligations of its subsidiaries under the BP Purchase Agreements.

The BP Acquisition is subject to a number of closing conditions, including clearance under the competition law of Canada, the foreign investment law of Canada and approval of the Government of Egypt. We received clearance under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, on August 3, 2010. Because of the relatively short time period contemplated between signing the BP Purchase Agreements and the expected closing of the BP Acquisition, several significant matters commonly resolved prior to closing such an acquisition have been reserved for after closing. For example, title review with respect to most of the BP Properties will not be completed until after closing. In addition, we will not have sufficient time before closing to conduct a full assessment of any environmental and legal liabilities with respect to the BP Properties. Also, some of the BP Properties are subject to preferential purchase rights held by third parties, and those rights may be exercised before or after we close the BP Acquisition. Most of the preferential purchase rights have exercise periods of 30 days after delivery of notice of the acquisition. Accordingly, the BP Acquisition is subject to certain post-closing requirements relating to, among other things, resolution of title, environmental and legal issues and any exercise by third parties of preferential purchase rights with respect to certain of the BP Properties. Prompt notice of the proposed sale of the BP Properties has been or will be provided to appropriate governmental agencies and to parties holding preferential rights to purchase such properties. The transactions comprising the BP Acquisition are not mutually conditioned, and we may close any of these transactions without closing the others. We completed the acquisition of the Permian Basin properties on August 10, 2010, subject to preferential purchase rights with respect to some of the properties. BP will continue to operate the Permian Basin properties on our behalf through November 30, 2010.

The remaining executory BP Purchase Agreements may be terminated prior to closing pursuant to termination provisions that are typical of a transaction of this type. If a BP Purchase Agreement is terminated other than as a result of our material breach or our failure or refusal to close, BP is required to return the applicable portion of the Deposit (as further described below) plus interest. BP plc provided a limited guarantee with respect to the BP Purchase Agreements, principally as to return of the Deposit. If a BP Purchase Agreement is terminated as a result of our material breach or our failure or refusal to close, BP is required to return the applicable portion of the Deposit plus interest, less an amount equal to five percent of the purchase price in such agreement plus interest (which we refer to as the Reverse Breakup Fee). Each BP Purchase Agreement provides that BP's retention of the Reverse Breakup Fee is the sole and exclusive remedy of BP in the event of a termination of such agreement.

On July 30, 2010, we made a deposit of \$5.0 billion toward the purchase price of the BP Properties (which we refer to as the Deposit ), to be returned to us or applied to the purchase price, as the case may be.

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Of the \$5.0 billion Deposit, \$1.5 billion was applicable to and has been applied to the purchase of the Permian Basin properties, \$3.25 billion is applicable to the Canadian properties and \$250 million is applicable to the Egyptian properties. In Canada, the Deposit has been implemented in the form of a loan from Apache to the BP subsidiary that is the seller of the Canadian properties which has been guaranteed by BP plc. From the date of the Deposit until receipt of regulatory approvals, BP will retain complete operational control of the BP Properties, subject to customary covenants regarding the conduct of business in the ordinary course, maintenance of the properties and similar matters. The Deposit is not required to be segregated from the operations of BP, but may be made available for use by BP in its operations. Should the applicable regulatory approvals not be obtained by a certain date (for the Western Canadian asset purchase by January 31, 2011 and for the Egyptian asset purchase by July 19, 2011), the affected transaction will not close and the applicable portion of the Deposit will be returned. Should preferential purchase rights with respect to any of the BP Properties be exercised, the purchase price payable to the affected BP subsidiary will be reduced accordingly. We estimate that only an immaterial portion of the BP Properties are subject to preferential purchase rights in favor of third parties.

To the extent preferential purchase rights are not exercised, with respect to any portion of the BP Acquisition, we will pay the balance of the allocated consideration and close the respective transaction as promptly as practicable after receipt of the various regulatory approvals and contractual consents applicable to the individual components of the BP Acquisition. Upon receipt of regulatory approvals in Canada, the instrument representing the loan will convert into ownership of the equity interests of the BP subsidiary holding the Canadian properties.

The Deposit was financed from the proceeds from two separate issuances of equity securities described under Equity Issuances below and cash on hand. The balance of the consideration payable to consummate the acquisition of the Permian Basin properties was financed with \$1.0 billion of borrowings under our Bridge Facility described under Bridge Financing Facility below and \$580 million of commercial paper borrowings. We expect to use the proceeds from this offering to repay the borrowings outstanding under our Bridge Facility and commercial paper borrowings.

The balance of the consideration to be paid by us in respect of the BP Acquisition will be financed from the proceeds from this offering, if any, remaining after repayment of the borrowings under the Bridge Facility and a combination of cash on hand, our existing revolving credit and commercial paper facilities, our new 364-day revolving credit facility described under 364-Day Revolving Credit Facility below and the possible short-term use of our Bridge Facility.

We anticipate that the remaining required regulatory approvals, resolution of any preferential purchase rights and any transfer of operational control of the BP Properties will occur in the third and fourth quarters of 2010. We cannot assure you, however, that the purchase of the remaining BP Properties will close on these terms, on a timely basis or at all. This offering is not conditioned upon closing of the purchase of any of the BP Properties, and the purchase of the remaining BP Properties is not conditioned upon this offering or any other financing conditions.

The BP Properties had estimated proved reserves as of June 30, 2010 of approximately:

116.4 million barrels (MMbbls) of crude oil and natural gas liquids; and

1,610 billion cubic feet (Bcf) of natural gas.

Using the conventional equivalence of one barrel of oil to six Mcf of gas (which is not indicative of the price difference between these resources), the estimated proved reserves attributable to the BP Properties totaled approximately 384.8 MMboe at June 30, 2010 and were approximately 30 percent liquids and 70 percent gas. Approximately 64 percent of the estimated proved reserves attributable to the BP Properties are developed reserves. A majority of the estimated oil and natural gas liquids reserves are located in the Permian Basin, and the majority of the estimated natural gas reserves are located in Canada.





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Production estimates, provided by BP, for the first six months of 2010 for the BP Properties were approximately:

28 thousand barrels (Mbbbls) per day of crude oil and natural gas liquids; and

331 MMcf per day of natural gas.

Production estimates, provided by BP, for the year ended December 31, 2009 for the BP Properties were approximately:

28 Mbbbls per day of crude oil and natural gas liquids; and

348 MMcf per day of natural gas.

The reserves and production estimates mentioned in the preceding paragraphs are based on our analysis of historical production data provided by BP, assumptions regarding capital expenditures and anticipated production declines. The foregoing estimates of reserves and production are based on estimates of our engineers without review by an independent petroleum engineering firm. Data used to make these estimates were furnished by BP or obtained from publicly available sources. We cannot assure you that these estimates of proved reserves and production are accurate. After such data is reviewed by an independent petroleum engineering firm and after we conduct a more thorough review, the BP Acquisition reserves and production may differ materially from the amounts indicated above.

Audited historical financial information for the BP Properties is not currently available. We plan to file separate financial statements and pro forma financial information, within the time period prescribed by SEC rules, in a Current Report on Form 8-K. Preliminary leasehold operating statements provided to us by BP indicate that the BP Properties had revenues for the six months ended June 30, 2010 of between \$520 million and \$575 million and for the year ended December 31, 2009 of between \$830 million and \$920 million, while direct operating expenses for the same periods were between \$155 million and \$175 million and between \$310 million and \$345 million, respectively.

The foregoing preliminary revenue and direct operating expense estimates were provided by BP, are unaudited, and have not been reviewed by our independent accountants. We cannot assure you that these preliminary estimates are accurate.

Unless otherwise specifically stated, the information included in this prospectus supplement, the accompanying prospectus and documents incorporated by reference do not include information related to the BP Properties.

***Pending Mariner Acquisition***

On April 15, 2010, we and Mariner Energy, Inc., a Delaware corporation (which we refer to as *Mariner* ), announced that we had entered into a definitive agreement and plan of merger dated April 14, 2010, and amended on August 2, 2010 (which we refer to as the *Mariner Merger Agreement* ), pursuant to which we will acquire Mariner in a stock and cash transaction (which we refer to as the *Mariner Acquisition* ). In connection with the Mariner Acquisition, we expect to issue approximately 17.5 million shares of common stock (an increase of approximately five percent in our outstanding common shares after giving effect to the offerings described under *Equity Issuances* below) and pay cash of approximately \$800 million to Mariner stockholders. We intend to fund the cash portion of the consideration with a combination of cash on hand, our existing revolving credit and commercial paper facilities and our new 364-day revolving credit facility described under *364-Day Revolving Credit Facility* below. Upon consummation of the Mariner Acquisition, we will assume Mariner's debt, which was approximately \$1.2 billion at the time of the Mariner Merger Agreement.

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The completion of the Mariner Acquisition is subject to certain conditions, including: (i) the effectiveness of a registration statement on Form S-4 that we filed with the SEC on May 19, 2010, and amended on June 29, 2010 and on August 4, 2010, for the issuance of our common stock in the Mariner Acquisition; and

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(ii) the adoption of the Mariner Merger Agreement by the stockholders of Mariner. Completion of the transaction is projected to occur during the third quarter of 2010.

The Mariner Merger Agreement also contains certain termination rights for both us and Mariner, including if the Mariner Acquisition is not completed by January 31, 2011. In the event of a termination of the Mariner Merger Agreement by us if Mariner's board of directors changes its recommendation that Mariner's stockholders approve the Mariner Merger Agreement, Mariner may be required to pay to us a termination fee of \$67 million. In certain circumstances involving termination of the Mariner Merger Agreement, one of us or Mariner will be obligated to reimburse the other's expenses incurred in connection with the transactions contemplated by the Mariner Merger Agreement in an aggregate amount not to exceed \$7.5 million. Any reimbursement of expenses by Mariner to us will reduce the amount of any termination fee paid by Mariner to us.

At year-end 2009, Mariner reported estimated proved reserves of 181 MMboe. Mariner's oil and gas properties are primarily located in the Gulf of Mexico deepwater and shelf, the Permian Basin and onshore in the Gulf Coast, encompassing 541,000 net developed and 623,000 net undeveloped acres at December 31, 2009. Mariner's current deepwater Gulf of Mexico portfolio included over 99 blocks, seven discoveries in development and more than 50 drilling prospects. The Permian Basin and Gulf of Mexico shelf assets fit well with our existing holdings and provide an inventory of future potential drilling locations, particularly in the Spraberry, Wolfcamp and Wolfberry formation oil plays of the Permian Basin. Additionally, Mariner has accumulated acreage in emerging unconventional shale oil resources in the United States.

Unless otherwise specifically stated, the information included in this prospectus supplement, the accompanying prospectus and documents incorporated by reference do not include information related to the Mariner Acquisition.

## **Equity Issuances**

On July 28, 2010, we completed two separate issuances of equity securities. We issued and sold 26,450,000 shares of common stock in an underwritten public offering at a price to the public of \$88.00 per share, resulting in net proceeds, after the underwriting discount and before expenses, of approximately \$2.26 billion. We also issued and sold 25,300,000 depository shares, each representing a 1/20th interest in a share of our 6.00% Mandatory Convertible Preferred Stock, Series D, in an underwritten public offering at a price to the public of \$50 per depository share, resulting in net proceeds, after the underwriting discount and before expenses, of approximately \$1.23 billion.

## **364-Day Revolving Credit Facility**

On August 13, 2010, we entered into a new \$1.0 billion 364-day revolving credit facility with affiliates of certain of the underwriters. We may borrow, repay and reborrow under the facility, subject to covenants, events of default and representations and warranties that are substantially similar to those in our existing revolving credit facilities. The aggregate amount at any time outstanding under the facility may not exceed the total commitment amount of \$1.0 billion.

The 364-day revolving credit facility will terminate and all amounts outstanding thereunder will be due on August 12, 2011 unless we request a 364 day extension not less than 90 days prior to the termination date or we elect to convert the outstanding revolving loans into a term loan, which would be due and payable one year following the date of such conversion. The facility is subject to additional 364 day extensions provided that we request each such extension not less than 90 days prior to the effective termination date (as extended). No lender is under any obligation to consent to any 364 day extension, however, we may elect to repay loans from any non-consenting lender and terminate such lender's loan commitment, or replace any non-consenting lender, and in either case proceed with the requested 364 day extension with respect to the remaining balance of the loan commitments under the facility, provided that lenders

having at least 51% of the aggregate total loan commitments have agreed to the requested extension. We may also elect to convert the outstanding revolving loans into a term loan of like amount on the termination date (as extended) by providing notice to the administrative agent under the facility no less than three days prior to such termination date. If we exercise

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this option, no amounts paid or prepaid may be reborrowed and the term loan will be due and payable in a single payment one year following the date of such conversion.

All borrowings under the 364-day revolving credit facility will bear interest at one of the following two rate options, as selected by us:

A base rate, which is defined as a rate per annum equal to the greatest of (a) JPMorgan Chase Bank, N.A.'s prime rate, (b) the federal funds rate plus 0.50%, and (c) one-month LIBOR plus 1%; or

LIBOR plus a margin varying from 0.50% to 3.50%, based upon prices reported in the credit default swap market with respect to our one-year indebtedness and the rating for our senior, unsecured non-credit enhanced long term indebtedness for borrowed money. For LIBOR-based interest rates, we may select an interest period of one, two, three or six months (or, with the consent of each lender, nine or twelve months).

We must also pay a commitment fee on the 364-day revolving credit facility equal to a rate per annum that varies from 0.10% to 0.35% of the undrawn amount under the facility based upon the rating for our senior, unsecured non-credit enhanced long term indebtedness for borrowed money. The commitment fee is currently 0.125%.

We also intend to increase our commercial paper program by \$1.0 billion, which would be supported by the additional borrowing capacity under the 364-day revolving credit facility.

## **Bridge Financing Facility**

On July 20, 2010, in connection with and in contemplation of the BP Acquisition, we entered into a term loan agreement with affiliates of certain of the underwriters of this offering that initially provided a \$5.0 billion unsecured bridge facility (the Bridge Facility). The commitment under the Bridge Facility was subsequently reduced by \$3.5 billion to reflect receipt of the net proceeds from the common stock and depositary shares offerings discussed above. On August 10, 2010, we borrowed \$1.0 billion under the Bridge Facility to finance a portion of the consideration for the completion of the acquisition of the Permian Basin properties. We intend to repay such borrowings with the proceeds from this offering, and the commitment under the Bridge Facility will be further reduced by the amount of the net proceeds from this offering. The remaining commitment under the Bridge Facility will be used as a backstop in the event that alternative forms of financing, including proceeds from this offering, are not available in sufficient amounts at or prior to such times when we are required to fund the consideration payable for the remaining elements of the BP Acquisition.

Funds under the Bridge Facility are available to us in one or more drawings until September 28, 2010, unless the commitments have been reduced to zero as described herein. Covenants, events of default and representations and warranties are substantially similar to those in our existing revolving credit facilities. We are required to prepay loans under the Bridge Facility with 100% of the net cash proceeds of (a) equity issuances to third parties by us or any of our subsidiaries, (b) indebtedness for borrowed money by us or any of our subsidiaries (with certain exceptions, including refinancings and draws under existing facilities, indebtedness for working capital, securitizations in the ordinary course of business, and commercial paper issued under our existing commercial paper program), and (c) asset dispositions by us or any of our subsidiaries outside the ordinary course of business. On August 11, 2010, the Bridge Facility was amended so that the commitments from our 364-day revolving credit facility are not required to reduce the commitments under the Bridge Facility until August 31, 2010. The Bridge Facility will mature on September 29, 2010 but may be extended at our option until December 29, 2010.

All borrowings under the Bridge Facility bear interest at a rate equal to either:

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a base rate, which is defined as a rate per annum equal to the greatest of (a) JPMorgan Chase Bank, N.A.'s prime rate, (b) the federal funds rate plus 0.50% and (c) one-month LIBOR plus 1%, or

LIBOR plus a margin varying from 1.50% to 2.50%, depending on our credit rating.

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The Bridge Facility began incurring an undrawn fee on August 2, 2010, payable on the average daily undrawn amount of the Bridge Facility at a per annum rate equal to 0.10% to 0.35%, depending on our credit rating. The current undrawn fee is 0.125%.

**SEC Comments**

On June 18 and July 12, 2010, we received comments from the SEC staff on our registration statement on Form S-4 filed in connection with the Mariner Acquisition and on our Annual Report on Form 10-K for the year ended December 31, 2009, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 and our Definitive Proxy Statement on Schedule 14A filed on March 31, 2010. We responded to the comment letters by letters dated June 29, 2010 and August 3, 2010. We do not believe that the comments, or our responses thereto, materially affect the disclosures in our existing Exchange Act reports, and we expect to include these and any other additional or revised disclosure resulting from the comment process in future filings with the SEC.

The comments on our 2009 Form 10-K and March 31, 2010 Form 10-Q included requests that we: provide additional disclosure regarding our potential liability in the event that one of our rigs operating in the Gulf of Mexico is involved in an explosion or event similar to the recent events in the Gulf of Mexico involving the Deepwater Horizon explosion and subsequent oil spill; discuss what remediation plans or procedures we have in place to deal with the environmental impact that would occur in the event of an oil spill or leak from our offshore operations; include information about the competitive conditions in our industry and any material effects that compliance with federal, state and local provisions which have been enacted or adopted regulating the discharge of materials into the environment may have on our capital expenditures, earnings and competitive position; and provide additional disclosure regarding our reserves and development costs. The SEC staff's comments on our Definitive Proxy Statement on Schedule 14A asked us to comply with the comments in all future filings and requested that we provide additional disclosure related to the compensation consulting firms engaged by our Management Development and Compensation Committee.

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**The Offering**

*Please refer to Description of Notes in this prospectus supplement and Description of Apache Corporation Debt Securities in the accompanying prospectus for more information about the notes.*

Issuer	Apache Corporation
Notes offered	\$1,500,000,000 aggregate principal amount of 5.100% notes due 2040.
Maturity	September 1, 2040.
Interest rate	The notes will bear interest at the rate of 5.100% per year.
Interest payment dates	March 1 and September 1, commencing on March 1, 2011. Interest will accrue from the date of issuance of the notes.
Ranking	The notes will be our senior unsecured obligations and will rank equally with all of our other senior unsecured obligations from time to time outstanding.
Optional redemption	The notes will be redeemable in whole or in part, at our option at any time, at the applicable redemption price set forth under the heading Description of Notes Optional Redemption.
Change in control	If a change in control, as defined in the indenture governing the notes, occurs, each holder of notes may elect to require us to repurchase the holder's notes. If a holder makes this election, we must purchase the holder's notes for their principal amount plus accrued interest to the purchase date. See Description of Apache Corporation Debt Securities We are Obligated to Purchase Debt Securities Upon a Change in Control beginning on page 20 in the accompanying prospectus.
Certain covenants	The indenture governing the notes contains certain covenants, including limitations on liens and sale-leaseback transactions.
Book-entry issuance, denominations, settlement and clearance	We will issue the notes in fully registered form in minimum denominations of \$2,000 and integral multiples of \$1,000. The notes will be represented by one or more global securities registered in the name of a nominee of The Depository Trust Company, or DTC. You will hold beneficial interests in the notes through DTC and its direct and indirect participants, including Euroclear and Clearstream, Luxembourg, and DTC and its direct and indirect participants will record your beneficial interest on their books. We will not issue certificated notes except in limited circumstances.
Use of proceeds	We estimate that the net proceeds from this offering will be approximately \$1,469.3 million after deducting the underwriting discount and estimated offering expenses. We intend to use the net proceeds of this offering to finance a portion of the consideration payable in connection with the BP



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Acquisition, including repayment of drawings under the Bridge Facility and commercial paper borrowings. We intend to use any net proceeds not used to finance the BP Acquisition for other acquisitions and for general corporate purposes. See Use of Proceeds.

Trustee

The Bank of New York Mellon Trust Company, N.A.

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Closing and delivery	We expect to deliver the notes on or about August 20, 2010.
Governing law	The State of New York
Conflicts of interest	Affiliates of Banc of America Securities LLC, Citigroup Global Markets Inc., Goldman, Sachs & Co. and J.P. Morgan Securities Inc. are lenders and/or agents under the Bridge Facility and may receive more than 5% of the proceeds from this offering. See Conflicts of Interest.
Risk factors	You should carefully consider the information set forth under Risk Factors in this prospectus supplement, as well as the other information included in or incorporated by reference in this prospectus supplement before deciding whether to invest in the notes.

**Ratio of Earnings to Fixed Charges**

	<b>Six Months Ended June 30, 2010</b>	<b>2009</b>	<b>Years Ended December 31,</b>			<b>2005</b>
			<b>2008</b>	<b>2007</b>	<b>2006</b>	
Ratio of Earnings to Fixed Charges	16.21	1.77	3.72	14.76	17.47	22.24

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**RISK FACTORS**

*An investment in the notes involves risks. You should carefully consider the risks described below, in addition to the other information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. Specifically, please see Risk Factors included in our Annual Report on Form 10-K for the year ended December 31, 2009 and our Quarterly Report on Form 10-Q/A for the quarter ended June 30, 2010 for a discussion of risk factors that may affect our business. Realization of any of those or the following risks or adverse results from any matter listed under Cautionary Statement Regarding Forward-Looking Information in this prospectus supplement or under Quantitative and Qualitative Disclosures About Market Risk Forward-Looking Statements and Risk in our 2009 Form 10-K or June 30, 2010 Form 10-Q/A could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations. These risks could materially affect our ability to meet our obligations under the notes. As a result, you could lose all or part of your investment in and expected return on the notes.*

**Risks Related to Our Business**

*The drilling moratorium in the U.S. Gulf of Mexico, or other regulatory initiatives in response to the current oil spill in the Gulf of Mexico, could adversely affect our business.*

As has been widely reported, on April 20, 2010, a fire and explosion occurred onboard the semisubmersible drilling rig Deepwater Horizon, leading to the oil spill currently affecting the Gulf of Mexico. In response to this incident, the Minerals Management Service (now known as the Bureau of Ocean Energy Management, Regulation and Enforcement, or BOE ) of the U.S. Department of the Interior issued a notice on May 30, 2010 implementing a six-month moratorium on certain drilling activities in the U.S. Gulf of Mexico. Implementation of the moratorium was blocked by a U.S. district court, which was subsequently affirmed on appeal, but on July 12, 2010, the BOE issued a new moratorium that applies to drilling operations that use subsea blowout preventers or surface blowout preventers on floating facilities. The new moratorium will last until November 30, 2010, or until such earlier time that the BOE determines that such drilling operations can proceed safely. The BOE is also expected to issue new safety and environmental guidelines or regulations for drilling in the U.S. Gulf of Mexico, and potentially in other geographic regions, and may take other steps that could increase the costs of exploration and production, reduce the area of operations and result in permitting delays. This incident could also result in drilling suspensions or other legislative and regulatory initiatives in other areas of the U.S. and abroad. Proposals are pending in the U.S. Congress that would limit, or increase the costs of, drilling in the U.S. Gulf of Mexico. Although it is difficult to predict the ultimate impact of the moratorium or any new guidelines, regulations or legislation, a prolonged suspension of drilling activity in the U.S. Gulf of Mexico and other areas, new legislation and regulations and increased liability for companies operating in this sector could adversely affect our operations in the U.S. Gulf of Mexico as well as in other offshore locations.

*The Devon and Mariner transactions will increase our exposure to Gulf of Mexico operations.*

Our recent acquisition of oil and gas assets on the Gulf of Mexico shelf from Devon Energy Corporation has increased our exposure to Gulf of Mexico operations. Following the completion of the Mariner Acquisition, an even larger percentage of our exploration and production operations will be related to offshore Gulf of Mexico properties. Greater offshore concentration proportionately increases risks from delays or higher costs common to offshore activity, including severe weather, availability of specialized equipment and compliance with environmental and other laws and regulations.

***The Mariner and BP transactions will expose us to additional risks and uncertainties with respect to the acquired businesses and their operations.***

Although the acquired Mariner and BP businesses will generally be subject to risks similar to those to which we are subject in our existing businesses, the Mariner and BP transactions may increase these risks. For example, the increase in the scale of our operations may increase our operational risks. Recent publicity associated with the oil spill in the Gulf of Mexico resulting from the fire and explosion onboard the

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Deepwater Horizon, which was under contract to BP, may cause regulatory agencies to scrutinize our operations more closely, as the acquiror of certain of BP's operations. This additional scrutiny may adversely affect our operations.

***We may have difficulty combining the operations of both Mariner and the BP Properties, and the anticipated benefits of these transactions may not be achieved.***

Achieving the anticipated benefits of the Mariner and BP transactions will depend in part upon whether we can successfully integrate the operations of Mariner and the BP Properties with ours. Our ability to integrate the operations of Mariner and the BP Properties successfully will depend on our ability to monitor operations, coordinate exploration and development activities, control costs, attract, retain and assimilate qualified personnel and maintain compliance with regulatory requirements. The difficulties of integrating the operations of Mariner and the BP Properties may be increased by the necessity of combining organizations with distinct cultures and widely dispersed operations. The integration of operations following these transactions will require the dedication of management and other personnel, which may distract their attention from the day-to-day business of the combined enterprise and prevent us from realizing benefits from other opportunities. Completing the integration process may be more expensive than anticipated, and we cannot assure you that we will be able to effect the integration of these operations smoothly or efficiently or that the anticipated benefits of the transactions will be achieved.

***Several significant matters in the BP Acquisition will not be resolved before closing.***

Because of the relatively short time period between signing the BP Purchase Agreements and the closing of the acquisition of the Permian Basin properties and the expected closing of the remaining elements of the BP Acquisition, several significant matters commonly resolved prior to closing such an acquisition have been reserved for after closing. For example, title review with respect to most of the BP Properties will not be completed until after closing. In addition, we will not have sufficient time before closing to conduct a full assessment of any environmental and legal liabilities with respect to the BP Properties. As a result, we may discover title defects or adverse environmental or other conditions after we have closed the BP Acquisition and after expiration of the time periods specified in the BP Purchase Agreements during which we would have been able to seek, in certain cases, indemnification from or cure of the defect or adverse conditions by BP for such matters. In addition, not all environmental or other conditions that may be identified will be the subject of contractual remedies, and we cannot assure you that our contractual remedies will be adequate for any liabilities we incur.

***The reserves, production, revenue and direct operating expense estimates with respect to the BP Properties may differ materially from the actual amounts.***

The reserves and production estimates with respect to the BP Properties mentioned in this prospectus supplement are based on our analysis of historical production data, assumptions regarding capital expenditures and anticipated production declines. These estimates of reserves and production are based on estimates of our engineers without review by an independent petroleum engineering firm. Data used to make these estimates were furnished by BP or obtained from publicly available sources. We cannot assure you that these estimates of proved reserves and production are accurate. After such data is reviewed by an independent petroleum engineering firm, the BP Acquisition reserves and production may differ materially from the amounts indicated in this prospectus supplement.

In addition, the preliminary revenue and direct operating expense estimates with respect to the BP Properties were provided by BP, are unaudited, and have not been reviewed by our independent accountants. We cannot assure you that these preliminary estimates are accurate, and when we file separate financial statements and pro forma financial information following consummation of the BP Acquisition, such amounts may differ materially from the amounts indicated in this prospectus supplement.



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***The BP Acquisition and/or our liabilities could be adversely affected in the event one or more of the BP entities become the subject of a bankruptcy case.***

In light of the extensive costs and liabilities related to the current oil spill in the Gulf of Mexico, there has been public speculation as to whether one or more of the BP entities will become the subject of a case or proceeding under Title 11 of the United States Code or any other relevant insolvency law or similar law (which we collectively refer to as *Insolvency Laws* ). In the event that one or more of the BP entities were to become the subject of such a case or proceeding, a court may find that the BP Purchase Agreements or unperformed provisions in such contracts are executory contracts, in which case such BP entities may, subject to relevant *Insolvency Laws*, have the right to reject such agreements or provisions and refuse to perform their future obligations under them. In this event, our ability to enforce our rights under the BP Purchase Agreements could be adversely affected. Furthermore, if any of the BP entities were to become the subject of such a case or proceeding, and we were unable to consummate the remaining elements of the BP Acquisition, we may not be able to collect the applicable portion of the amounts we deposited with BP pending completion of the acquisition.

Additionally, in a case or proceeding under relevant *Insolvency Laws*, a court may find that the sale of the BP Properties constitutes a constructive fraudulent conveyance that should be set aside. While the tests for determining whether a transfer of assets constitutes a constructive fraudulent conveyance vary among jurisdictions, such a determination generally requires that the seller received less than a reasonably equivalent value in exchange for such transfer or obligation and the seller was insolvent at the time of the transaction, or was rendered insolvent or left with unreasonably small capital to meet its anticipated business needs as a result of the transaction. The applicable time periods for such a finding also vary among jurisdictions, but generally range from two to six years. If a court were to make such determination in a proceeding under relevant *Insolvency Laws*, our rights under the BP Purchase Agreements, and our rights to the BP Properties, could be adversely affected.

***We will incur significant transaction and BP Acquisition-related costs in connection with the financing of the BP Acquisition, and may be unable to complete alternative financing before closing.***

We expect to incur, until the closing of the remaining elements of the BP Acquisition, significant non-recurring costs associated with the financing of the BP Acquisition, including maintaining the Bridge Facility that assures our ability to pay the consideration for the BP Acquisition. On August 10, 2010, we drew \$1.0 billion under the Bridge Facility and began incurring fees thereunder. In addition, we will be subject to numerous market risks in connection with our plan to raise alternative financing to fund the purchase price of the BP Acquisition prior to closing, including risks related to general economic conditions, changes in the costs of capital and of the demand for securities of the types we will seek to offer to raise the alternative financing, including the securities being offered hereunder. In the event less than all of the BP Acquisition purchase price, or applicable portions thereof, is available to us when due and payable, we will be required to draw additional amounts under the Bridge Facility in order to complete the BP Acquisition, and the costs to do so may be significant.

***The failure to complete the BP Acquisition could have an adverse effect on us.***

There are a number of conditions to the completion of the BP Acquisition contained in the BP Purchase Agreements that must be satisfied for the remaining transactions to close, and there can be no assurance that the conditions will be satisfied. The failure to complete the remaining acquisitions under one or more of the BP Purchase Agreements, may result in negative publicity and/or negative impression of us in the investment community and may affect our relationships with creditors and other business partners.

If the remaining elements of the BP Acquisition are not completed, we also must pay costs related to the BP Acquisition including, among others, legal, accounting and financial advisory, as well as certain fees and expenses

with respect to the Bridge Facility, whether the BP Acquisition is completed or not. We also could be subject to litigation related to the failure to complete the BP Acquisition or other factors, which may adversely affect our business and financial results. In addition, if the remaining elements of the BP Acquisition are not

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completed, we intend to use any remaining net proceeds of this offering and the recently completed offerings of common stock and depositary shares for general corporate purposes. However, we would be subject to significant earnings per share dilution and significantly increased leverage as a result.

### **Risks Related to the Notes**

***The notes are structurally subordinated to the obligations of our subsidiaries, which may affect your ability to receive payments on the notes.***

The notes will be direct obligations of Apache Corporation. Our subsidiaries are separate legal entities and have no obligation to pay any amounts due on the notes or, subject to any existing or future contractual obligations between us and our subsidiaries, to provide us with funds for our payment obligations, whether by dividends, distributions, loans or other payments (as further described below). Our right to participate in any distribution of assets of any subsidiary is subject to the prior claims of the creditors of that subsidiary, except to the extent that we are a creditor of the subsidiary and our claims are recognized. Therefore, the notes are effectively subordinated to the indebtedness and other obligations of our subsidiaries. As of June 30, 2010, we had approximately \$5.0 billion of indebtedness outstanding, of which approximately \$948 million consisted of indebtedness of our subsidiaries. Our subsidiaries also have other obligations that are not considered indebtedness.

***The indenture does not limit the amount of indebtedness that we may incur.***

The indenture does not limit our ability to incur additional indebtedness or contain provisions that would afford holders of the notes protection in the event of a sudden and significant decline in our credit quality or a take-over, recapitalization or highly leveraged or similar transaction. Accordingly, we could, in the future, enter into transactions that could increase the amount of our outstanding indebtedness or otherwise adversely affect our capital structure.

***Because a significant portion of our operations is conducted through our subsidiaries, our ability to service our debt is largely dependent on our receipt of distributions or other payments from our subsidiaries.***

A significant portion of our operations is conducted through our subsidiaries. As a result, our ability to make interest and principal payments on the notes is largely dependent on the earnings of our subsidiaries and the payment of those earnings to us in the form of dividends, loans or advances and through repayment of loans or advances from us. Our subsidiaries do not have any obligation to pay amounts due on the notes or our other indebtedness or to make funds available for that purpose.

Payments to us by our subsidiaries will be contingent upon our subsidiaries' earnings and other business considerations and may be subject to statutory or contractual restrictions. In addition, there may be significant tax and other legal restrictions on the ability of our non-U.S. subsidiaries to remit money to us.

***If an active trading market does not develop for the notes, you may be unable to sell your notes or to sell your notes at a price that you deem sufficient.***

The notes are a new issue of securities for which there is currently no established trading market. We do not intend to apply for the listing of the notes on any national securities exchange or for the quotation of the notes on any automated dealer quotation system. While the underwriters of the notes have advised us that they intend to make a market in the notes, the underwriters will not be obligated to do so and may discontinue any market making activities at any time in their sole discretion and without notice. No assurance can be given:

that a market for the notes will develop or continue;

as to the liquidity of any market that does develop; or

as to your ability to sell any notes you may own or the price at which you may be able to sell your notes.

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If an active trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

*A downgrade in our credit rating could adversely affect the trading price of the notes.*

The trading price for the notes may be affected by our credit rating. Credit ratings are continually revised. Any credit rating downgrade could adversely affect the trading price of the notes or the trading markets for the notes to the extent trading markets for the notes develop.

*We may be prevented from financing, or may not have the ability to raise funds necessary to finance, the change of control offer required by the indenture.*

Upon the occurrence of a change in control, as defined in the indenture that governs the notes, we will be required to make an offer to each holder of notes outstanding under the indenture to purchase all or a portion of the notes then outstanding. Upon a change of control, we may not have sufficient funds available to purchase all of the notes tendered to us. Any requirement to offer to purchase any outstanding notes may result in us having to refinance our outstanding debt or obtain necessary consents under our other debt agreements to repurchase the notes, which we may not be able to do. In such case, our failure to offer to purchase notes following a change of control would constitute an event of default under the indenture, which would, in turn, constitute a default under our revolving credit facilities.

**Table of Contents****USE OF PROCEEDS**

We estimate that the net proceeds from this offering will be approximately \$1,469.3 million after deducting the underwriting discount and estimated expenses of the offering payable by us.

We intend to use the net proceeds from this offering to finance a portion of the purchase price in connection with the BP Acquisition, including repayment of \$1.0 billion of borrowings under the Bridge Facility and commercial paper borrowings. The interest rate on the borrowings to be repaid is approximately 2.06%, and the Bridge Facility will mature on September 29, 2010, subject to extension to December 29, 2010. The borrowings under the Bridge Facility were used to finance a portion of the consideration for the completion of the acquisition of the Permian Basin properties. See Summary Recent Developments Bridge Financing Facility. The balance of the purchase price is expected to be funded with the proceeds from our issuances of common stock and depositary shares described under Summary Recent Developments Equity Issuances, cash on hand, our existing revolving credit and commercial paper facilities and our new 364-day revolving credit facility described under Summary Recent Developments 364-Day Revolving Credit Facility. We intend to use any net proceeds not used to finance the BP Acquisition for other acquisitions and for general corporate purposes.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth, for each of the periods indicated, our ratio of earnings to fixed charges. For purposes of computing the ratio of earnings to fixed charges, earnings consist of income before federal income taxes plus fixed charges. Fixed charges consist of interest expense, capitalized interest, amortization expenses related to debt and an imputed interest component for rental expense.

	<b>Six Months</b>		<b>Years Ended December 31,</b>			
	<b>Ended</b>					
	<b>June 30,</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
	<b>2010</b>					
Ratio of Earnings to Fixed Charges	16.21	1.77	3.72	14.76	17.47	22.24

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**Table of Contents****CAPITALIZATION**

The following table sets forth our unaudited consolidated cash and cash equivalents and consolidated capitalization as of June 30, 2010:

on an actual basis;

on an as adjusted basis to give effect to (i) the July 28, 2010 issuances of common stock and depositary shares described under Summary Recent Developments Equity Issuances and (ii) the \$1.0 billion of borrowings under the Bridge Facility and the \$580 million of commercial paper borrowings incurred in connection with the completion of the acquisition of the Permian Basin properties; and

on an as further adjusted basis to give effect to (i) this offering and (ii) application of the net proceeds from this offering and the offerings of common stock and of depositary shares in connection with the BP Acquisition.

You should read this table in conjunction with the section of this prospectus supplement entitled Use of Proceeds and our consolidated financial statements and the related notes incorporated by reference in this prospectus supplement and the accompanying prospectus.

	<b>As of June 30, 2010</b>		
	<b>Actual</b>	<b>As Adjusted (Unaudited)</b>	<b>As Further Adjusted</b>
	<b>(In thousands, except share data)</b>		
Cash and cash equivalents	\$ 1,805,347	\$ 6,869,029	\$ 287,444
Total debt (including current portion):			
Existing notes and debentures	\$ 4,711,127	\$ 4,711,127	\$ 4,711,127
Revolving credit facilities and commercial paper(1)	301,205	881,205	410,290
Bridge Facility		1,000,000	
5.100% notes due 2040 offered hereby			1,484,040
Total debt (including current portion)	5,012,332	6,592,332	6,605,457
Shareholders' equity:			
6.00% Mandatory Convertible Preferred Stock, Series D; 1,265,000 shares authorized; 1,265,000 shares issued and outstanding (as adjusted and as further adjusted)		1,227,050	1,227,050
Common stock, \$0.625 par value; 430,000,000 shares authorized; 345,278,595 shares issued (actual); 365,728,595 shares issued (as adjusted and as further adjusted)	215,799	228,580	228,580
Paid-in capital	4,748,709	6,823,420	6,823,420
Retained earnings	12,900,582	12,900,582	12,900,582
Treasury stock, at cost, 7,479,435 shares (actual); 1,479,435 shares (as adjusted and as further adjusted)	(212,280)	(42,000)	(42,000)

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Accumulated other comprehensive income	22,950	22,950	22,950
Total shareholders' equity	17,675,760	21,160,582	21,160,582
Total capitalization	\$ 22,688,092	\$ 27,752,914	\$ 27,766,039

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- (1) As of June 30, 2010, we had unsecured committed revolving syndicated bank credit facilities totaling \$2.3 billion, which mature in May 2013. These consist of a \$1.5 billion facility and a \$450 million facility in the U.S., a \$200 million facility in Australia and a \$150 million facility in Canada. We also have available a \$1.95 billion commercial paper program. The commercial paper program is fully supported by available borrowing capacity under U.S. committed credit facilities. There were no outstanding borrowings under the credit facilities or outstanding commercial paper as of June 30, 2010, and the full \$2.3 billion of unsecured credit facilities were available. On August 13, 2010, we entered into a new \$1.0 billion 364-day revolving credit facility. See Summary Recent Developments 364-Day Revolving Credit Facility.

The table set forth above does not give effect to the consummation of the Mariner Acquisition, which is expected to decrease our cash and cash equivalents, increase amounts outstanding under our revolving credit facilities and commercial paper indebtedness and increase our common stock by approximately 17.5 million shares as a result of financing the purchase consideration in connection therewith, and further increase our indebtedness as a result of assuming the indebtedness of Mariner.

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**DESCRIPTION OF NOTES**

*This section describes the specific financial and legal terms of the notes and supplements the more general description under Description of Apache Corporation Debt Securities in the accompanying prospectus. To the extent that the following description is inconsistent with the terms described under Description of Apache Corporation Debt Securities in the accompanying prospectus, the following description replaces that in the accompanying prospectus.*

Apache will issue the notes under the senior indenture dated as of February 15, 1996, as supplemented on November 5, 1996, between us and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A., as successor-in-interest to JPMorgan Chase Bank, N.A., formerly known as The Chase Manhattan Bank), as trustee. Certain terms of the notes will be established pursuant to an officers certificate pursuant to the senior indenture. The following description and the description of our debt securities in the accompanying prospectus is a summary of the material provisions of the notes and the senior indenture. These descriptions do not restate the senior indenture in its entirety. We urge you to read the senior indenture because it, and not this description, defines your rights as holders of the notes. We have filed a copy of the senior indenture as an exhibit to the registration statement, which includes the accompanying prospectus.

This description of the notes in this prospectus supplement, to the extent it is inconsistent, replaces the description of the general provisions of the debt securities and the senior indenture in the accompanying prospectus. The notes are senior debt securities as that term is used in the accompanying prospectus.

With certain exceptions and pursuant to certain requirements set forth in the senior indenture, we may discharge our obligations under the senior indenture with respect to each series of notes as described under Description of Apache Corporation Debt Securities Discharge, Defeasance and Covenant Defeasance beginning on page 21 in the accompanying prospectus.

**Principal, Maturity and Interest**

Apache is offering \$1,500,000,000 initial aggregate principal amount of 5.100% notes due 2040. The notes will mature on September 1, 2040.

We may issue and sell additional notes of this series in the future without the consent of the holders of the notes. Any such additional notes, together with the outstanding notes, will constitute a single series of notes under the senior indenture and will be fungible with the outstanding notes for U.S. federal income tax purposes.

Interest on the notes will accrue at the rate of 5.100% per year. Interest on the notes will be paid semi-annually in arrears on March 1 and September 1 of each year, beginning on March 1, 2011. We will make each interest payment to the person in whose name the notes are registered at the close of business on the immediately preceding February 15 or August 15, as the case may be, whether or not that date is a business day. Business day means any day other than a Saturday, Sunday or other day on which banking institutions in The City of New York are authorized or obligated by law, regulation or executive order to close.

Interest on the notes will accrue from August 20, 2010, or from the most recent interest payment date to which interest has been paid or duly provided for, and will be computed on the basis of a 360-day year comprised of twelve 30-day months.



If any interest payment date, maturity date or redemption date of the notes falls on a day that is not a business day, the related payment will be made on the next business day and, unless we default on the payment, no interest will accrue for the period from and after the interest payment date, maturity date or redemption date.

**Ranking**

The notes will be our senior unsecured obligations and will rank equally with all of our other senior unsecured obligations from time to time outstanding.

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### **Sinking Fund**

The notes will not be entitled to the benefit of a sinking fund.

### **Listing**

We do not intend to list the notes on any securities exchange or automated quotation system.

### **Denominations**

The notes will be issued in book-entry form without coupons only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

### **Change in Control**

If a change in control, as defined in the senior indenture, occurs, each holder of notes may elect to require us to repurchase the holder's notes. If a holder makes this election, we must purchase the holder's notes for their principal amount plus accrued interest to the purchase date. See "Description of Apache Corporation Debt Securities - We are Obligated to Purchase Debt Securities Upon a Change in Control" beginning on page 20 in the accompanying prospectus.

### **Optional Redemption**

The notes may be redeemed in whole at any time or in part from time to time, at our option. If the notes are redeemed before the date that is six months prior to the maturity date of the notes, the notes may be redeemed by us at a redemption price equal to the greater of:

100% of the principal amount of the notes then outstanding to be redeemed; or

the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable treasury rate plus 25 basis points;

plus, in each case, accrued and unpaid interest on the principal amount of the notes being redeemed to the redemption date.

If the notes are redeemed on or after the date that is six months prior to the maturity date of the notes, the notes may be redeemed at a redemption price equal to 100% of the principal amount of the notes then outstanding to be redeemed.

Treasury rate means, with respect to any redemption date:

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the comparable treasury issue (if no maturity is within three months before or after the remaining life (as defined below), yields for the two published maturities most

closely corresponding to the comparable treasury issue will be determined and the treasury rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the comparable treasury issue, calculated using a price for the comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such redemption date.

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The treasury rate will be calculated on the third business day next preceding the date fixed for redemption (the calculation date ).

Comparable treasury issue means the U.S. Treasury security selected by an independent investment banker as having a maturity comparable to the remaining term ( remaining life ) of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

Comparable treasury price means, with respect to any redemption date, (1) the average of five reference treasury dealer quotations for such redemption date, after excluding the highest and lowest reference treasury dealer quotations, or (2) if the independent investment banker obtains fewer than five such reference treasury dealer quotations, the average of all such quotations.

Independent investment banker means one of Banc of America Securities LLC, Citigroup Global Markets Inc. or BNP Paribas Securities Corp., or their respective successors, as specified by us, or, if those firms are unwilling or unable to select the comparable treasury issue, an independent investment banking institution of national standing appointed by us.

Reference treasury dealer means each of (1) Banc of America Securities LLC, Citigroup Global Markets Inc. and BNP Paribas Securities Corp., and their respective successors, provided, however, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in the United States (a primary treasury dealer ), we will substitute therefor another primary treasury dealer and (2) any two other primary treasury dealers selected by us after consultation with the independent investment banker.

Reference treasury dealer quotations means, with respect to each reference treasury dealer and any redemption date, the average, as determined by the independent investment banker, of the bid and asked prices for the comparable treasury issue (expressed in each case as a percentage of its principal amount) quoted in writing to the independent investment banker at 5:00 p.m., New York City time, on the calculation date.

We will mail a notice of redemption to each holder of notes to be redeemed by first-class mail at least 30 and not more than 60 days prior to the date fixed for redemption. Unless we default on payment of the redemption price, interest will cease to accrue on the notes or portions thereof called for redemption on and after the redemption date. If fewer than all of the notes are to be redeemed, the trustee will select, not more than 60 days prior to the redemption date, the particular notes or portions thereof for redemption from the outstanding notes not previously called by such method as the trustee deems fair and appropriate. The redemption price will be calculated by the independent investment banker and we, the trustee and any paying agent for the notes will be entitled to rely on such calculation.

## **Book-Entry; Delivery and Form**

The notes will be issued in the form of one or more global notes, or the Global Notes, registered in the name of The Depository Trust Company or its nominee, as described below and under Description of Apache Corporation Debt Securities Global Securities beginning on page 16 and Book-Entry Securities beginning on page 45, both in the accompanying prospectus. The Global Notes will be deposited upon issuance with The Depository Trust Company, New York, New York, or the Depository, and registered in the name of a nominee of the Depository in the form of a global certificate. All interests in the Global Notes will be subject to the operations and procedures of the Depository, Euroclear Bank S.A./N.V., or Euroclear, and Clearstream Banking, *société anonyme*, or Clearstream, Luxembourg. Beneficial interests in the Global Notes must be held in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

The Depositary has advised us that pursuant to procedures established by it (i) upon the issuance of the Global Notes, the Depositary or its custodian will credit, on its internal system, the principal amount at maturity of the individual beneficial interests represented by such Global Notes to the respective accounts of persons who have accounts with such Depositary and (ii) ownership of beneficial interests in the Global Notes will be shown on, and the transfer of such ownership will be effected only through, records maintained by the Depositary or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Ownership of beneficial interests in the Global Notes

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will be limited to persons who have accounts with the Depository, or participants, or persons who hold interests through participants. Holders may hold their interests in the Global Notes directly through the Depository if they are participants in such system, or indirectly through organizations that are participants in such system.

So long as the Depository, or its nominee, is the registered owner or holder of the notes, the Depository or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such Global Notes for all purposes under the senior indenture governing the notes. No beneficial owner of an interest in the Global Notes will be able to transfer that interest except in accordance with the Depository's procedures, in addition to those provided for under the senior indenture with respect to the notes.

Payments of the principal of, premium, if any, and interest on, the Global Notes will be made to the Depository or its nominee, as the case may be, as the registered owner of the Global Notes. None of Apache, the trustee or any paying agent under the senior indenture governing the notes will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

The Depository has advised us that its present practice is, upon receipt of any payment of principal, premium, if any, and interest on the Global Notes, to credit immediately participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Notes as shown on the records of the Depository. Payments by participants to owners of beneficial interests in the Global Notes held through such participants will be governed by standing instructions and customary practice, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in the Depository will be effected in the ordinary way through the Depository's same-day funds system in accordance with the Depository's rules and will be settled in same-day funds. If a holder requires physical delivery of a certificated security for any reason, including to sell notes to persons in states which require physical delivery of the notes, or to pledge such securities, such holder must transfer its interest in a Global Note, in accordance with the normal procedures of the Depository and with the procedures set forth in the senior indenture governing the notes.

The Depository has advised us that it will take any action permitted to be taken by a holder of notes, including the presentation of notes for exchange as described below, only at the direction of one or more participants to whose account the Depository's interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of notes as to which such participant or participants has or have given such direction. However, if an event of default under the senior indenture governing the notes has occurred and is continuing, the Depository will exchange the Global Notes for certificated securities, which it will distribute to its participants.

*The Depository has advised us as follows:* the Depository is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a clearing corporation within the meaning of the Uniform Commercial Code and a Clearing Agency registered pursuant to the provisions of Section 17A of the Exchange Act. The Depository was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations. Indirect access to the Depository system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly, or indirect participants.

Although the Depositary has agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants of the Depositary, it is under no obligation to perform such procedures, and such procedures may be discontinued at any time. Neither we nor the trustee will have any

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responsibility for the performance by the Depository or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Clearstream, Luxembourg and Euroclear hold interests on behalf of their participating organizations through customers' securities accounts in Clearstream, Luxembourg's and Euroclear's names on the books of their respective depositaries, which hold those interests in customers' securities accounts in the depositaries' names on the books of the Depository. At the present time, Citibank, N.A. acts as U.S. depository for Clearstream, Luxembourg and JPMorgan Chase Bank, N.A. acts as U.S. depository for Euroclear (the "U.S. Depositaries").

Except as set forth below, the Global Notes may be transferred, in whole but not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee.

Clearstream, Luxembourg holds securities for its participating organizations, or Clearstream Participants, and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries.

Clearstream, Luxembourg is registered as a bank in Luxembourg, and as such is subject to regulation by the Commission de Surveillance du Secteur Financier and the Banque Centrale du Luxembourg, which supervise and oversee the activities of Luxembourg banks. Clearstream Participants are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations, and may include the underwriters or their affiliates. Indirect access to Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with a Clearstream Participant. Clearstream, Luxembourg has established an electronic bridge with Euroclear as the operator of the Euroclear System (the "Euroclear Operator") in Brussels to facilitate settlement of trades between Clearstream, Luxembourg and the Euroclear Operator.

Distributions with respect to either series of notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by the U.S. Depository for Clearstream, Luxembourg.

Euroclear holds securities and book-entry interests in securities for participating organizations, or Euroclear Participants, and facilitates the clearance and settlement of securities transactions between Euroclear Participants, and between Euroclear Participants and participants of certain other securities intermediaries through electronic book-entry changes in accounts of such participants or other securities intermediaries. Euroclear provides Euroclear Participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing, and related services. Euroclear Participants are investment banks, securities brokers and dealers, banks, central banks, supranationals, custodians, investment managers, corporations, trust companies and certain other organizations, and may include the underwriters or their affiliates. Non-participants in Euroclear may hold and transfer beneficial interests in a Global Note through accounts with a participant in the Euroclear System or any other securities intermediary that holds a book-entry interest in a Global Note through one or more securities intermediaries standing between such other securities intermediary and Euroclear.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the "Terms and Conditions"). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific



certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants.

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Distributions of the notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for Euroclear.

Transfers between Euroclear Participants and Clearstream Participants will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between Direct Participants in the Depository, on the one hand, and Euroclear Participants or Clearstream Participants, on the other hand, will be effected through the Depository in accordance with the Depository's rules on behalf of Euroclear or Clearstream, Luxembourg, as the case may be, by its U.S. Depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, Luxembourg, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (European time) of such system. Euroclear or Clearstream, Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depository to take action to effect final settlement on its behalf by delivering or receiving interests in the Global Notes in the Depository, and making or receiving payment in accordance with normal procedures for same-day fund settlement applicable to the Depository. Euroclear Participants and Clearstream Participants may not deliver instructions directly to their respective U.S. Depositaries.

Due to time zone differences, the securities accounts of a Euroclear Participant or Clearstream Participant purchasing an interest in a Global Note from a Direct Participant in the Depository will be credited, and any such crediting will be reported to the relevant Euroclear Participant or Clearstream Participant, during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, Luxembourg) immediately following the settlement date of the Depository. Cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interests in a Global Note by or through a Euroclear Participant or Clearstream Participant to a Direct Participant in the Depository will be received with value on the settlement date of the Depository but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day for Euroclear or Clearstream, Luxembourg following the Depository's settlement date.

The information in this section concerning the Depository, Euroclear and Clearstream, Luxembourg and their book-entry systems has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy of that information.

Although Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among Euroclear Participants and Clearstream Participants, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of us, any of the underwriters or the trustee will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective Participants of their respective obligations under the rules and procedures governing their operations.

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**CERTAIN U.S. FEDERAL TAX CONSIDERATIONS**

The following discussion summarizes certain U.S. federal income tax consequences of the ownership and disposition of the notes by a holder of the notes who buys them at original issuance for cash at the initial offering price. This summary is based upon U.S. federal income tax law as of the date hereof, which is subject to change or differing interpretations, possibly with retroactive effect. This summary does not discuss all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances, such as the unearned income Medicare contribution tax, or certain investors subject to special tax rules (e.g., financial institutions, regulated investment companies, real estate investment trusts, insurance companies, broker-dealers and tax-exempt organizations), persons that will hold the notes as a part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes, partnerships (including entities or arrangements treated as partnerships for U.S. federal income tax purposes), persons subject to the alternative minimum tax, or U.S. holders that have a functional currency other than the United States dollar, all of whom may be subject to tax rules that differ materially from those summarized below. In addition, this summary does not discuss any foreign, state or local tax considerations. This summary is written for investors that will hold their notes as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the Code). We are not seeking a ruling from the Internal Revenue Service (the IRS) regarding the U.S. federal income tax consequences of the ownership or disposition of the notes. Accordingly, there can be no assurance that the IRS will not successfully challenge one or more of the conclusions stated herein.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of notes, the treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A holder of notes that is a partnership, and partners in such a partnership, are urged to consult their tax advisors about the U.S. federal income tax consequences of holding and disposing of the notes.

**This discussion of certain material U.S. federal income tax considerations is for general information only and is not intended as tax advice to any particular investor. Persons considering the purchase of notes are urged to consult their tax advisors with regard to the application of the U.S. federal income or other tax laws (including estate and gift tax laws and the unearned income Medicare contribution tax) to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.**

**U.S. Holders**

For purposes of this summary, you are a U.S. holder if you are a beneficial owner of a note and you are, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in or organized under the law of the United States, any state thereof or the District of Columbia, (iii) an estate the worldwide income of which is subject to U.S. federal income tax, or (iv) a trust (A) the administration of which is subject to the primary supervision of a United States court and with respect to which one or more United States persons have the authority to control all substantial decisions, or (B) that has in effect a valid election under applicable United States Treasury regulations to be treated as a United States person. The term U.S. holder also includes certain former citizens and residents of the United States.

*Interest income.* Generally, stated interest on a note will be taxable to a U.S. holder as ordinary interest income at the time such payments are accrued or received (in accordance with the holder's regular method of accounting).

*Sale, exchange, retirement or other disposition of the notes.* Upon a sale or other taxable disposition of notes, a U.S. holder generally will recognize gain or loss in an amount equal to the difference between the amount realized on the disposition (other than an amount attributable to accrued but unpaid stated interest, which will be taxable as ordinary income (as described above under Interest income ) to the extent not previously included in income) and the U.S. holder's adjusted tax basis in such notes. A U.S. holder's adjusted tax basis in a note generally will equal the cost of the note to such holder. Any such gain or loss generally

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will be capital gain or loss, and will be long-term capital gain or loss if the U.S. holder held the note for longer than one year at the time of disposition. For non-corporate U.S. holders, long-term capital gain generally will be subject to reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

**Non-U.S. Holders**

For purposes of this summary, you are a non-U.S. holder if you are a beneficial owner of a note that is not a U.S. holder. The term non-U.S. holder does not include a holder who is an individual present in the United States for 183 days or more in the taxable year of disposition of the notes and who is not otherwise a resident of the United States for U.S. federal income tax purposes. Such a holder is urged to consult his or her own tax advisor regarding the U.S. federal income tax consequences of the sale, exchange or other disposition of the notes.

*Interest income.* All payments of interest on the notes made to a non-U.S. holder will qualify for the portfolio interest exemption and therefore will not be subject to U.S. federal income and withholding tax, provided that such interest is not effectively connected with a United States trade or business of the non-U.S. holder (as discussed below) and provided that (i) such non-U.S. holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote, (ii) such non-U.S. holder is not a controlled foreign corporation related, directly or indirectly, to us through stock ownership, (iii) such non-U.S. holder is not a bank receiving certain types of interest, and (iv) either (a) the non-U.S. holder certifies to the payor or the payor's agent, under penalties of perjury, that it is not a United States person and provides its name, address and certain other information on a properly executed IRS Form W-8BEN or a suitable substitute form or (b) a securities clearing organization, bank or other financial institution that holds customer securities in the ordinary course of its trade or business and that holds the notes in such capacity, certifies to the payor or the payor's agent, under penalties of perjury, that such a statement has been received from the beneficial owner by it or by a financial institution between it and the beneficial owner and, when required, furnishes the payor or the payor's agent with a copy thereof. The applicable United States Treasury regulations also provide alternative methods for satisfying the certification requirements described in the preceding clause (iv). If a non-U.S. holder holds notes through certain foreign intermediaries or partnerships, such holder and the foreign intermediary or partnership may be required to satisfy certification requirements under applicable United States Treasury regulations.

If a non-U.S. holder cannot satisfy the requirements described above, payments of interest will be subject to the 30% U.S. federal withholding tax, unless such non-U.S. holder provides us with a properly executed (i) IRS Form W-8BEN (or appropriate substitute form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty or (ii) IRS Form W-8ECI (or appropriate substitute form) stating that interest paid or accrued on the notes is not subject to withholding tax because it is effectively connected with the conduct of a trade or business in the United States.

*Sale, exchange, redemption, retirement or other disposition of the notes.* Subject to the discussion below concerning backup withholding and except with respect to accrued but unpaid interest, which will be taxable as described above under *Interest income*, a non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on the receipt of payments of principal on a note, or on any gain recognized upon the sale, exchange, redemption, retirement or other disposition of a note, unless in the case of gain (i) such gain is effectively connected with the conduct by such non-U.S. holder of a trade or business within the United States (and, where a treaty applies, is attributable to a permanent establishment maintained by the non-U.S. holder within the United States) in which case such non-U.S. holder will be subject to tax on a net income basis in the manner described below or (ii) such non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met in which case such non-U.S. holder will be subject to a flat 30% tax (or reduced treaty rate) on any gain (net of certain U.S.-source losses).

*Income effectively connected with a U.S. trade or business.* If a non-U.S. holder of notes is engaged in a trade or business in the United States, and if interest on the notes or gain realized on the sale, exchange,

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redemption, retirement or other disposition of the notes is effectively connected with the conduct of such trade or business, the non-U.S. holder generally will be subject to regular U.S. federal income tax on such income or gain in the same manner as if the non-U.S. holder were a U.S. holder. If the non-U.S. holder is eligible for the benefits of an income tax treaty between the United States and the holder's country of residence, any effectively connected income or gain generally will be subject to U.S. federal income tax only if it is also attributable to a permanent establishment or fixed base maintained by the holder in the United States. Payments of interest that are effectively connected with a U.S. trade or business will not be subject to the 30% withholding tax provided that the holder claims exemption from withholding. To claim exemption from withholding, the holder must certify its qualification, which can be done by providing a properly executed IRS Form W-8ECI. In addition, a non-U.S. holder that is a foreign corporation may be subject to a branch profits tax equal to 30% (or reduced treaty rate) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. Any non-U.S. holder receiving interest on, or realizing gain from, the notes that is effectively connected with such non-U.S. holder's conduct of a trade or business in the United States is urged to consult its own tax advisors with respect to other U.S. tax consequences of the ownership and disposition of notes.

**Information Reporting and Backup Withholding**

*U.S. holders.* Payments of principal and interest on, or the proceeds of the sale or other disposition of, a note are generally subject to information reporting unless the U.S. holder is an exempt recipient (such as a corporation). Such payments may also be subject to U.S. federal backup withholding at the applicable rate if the recipient of such payment fails to supply a taxpayer identification number, certified under penalties of perjury, as well as certain other information or otherwise fails to establish an exemption from backup withholding. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against that U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

*Non-U.S. holders.* A non-U.S. holder generally will be required to comply with certain certification procedures to establish that the holder is not a United States person in order to avoid backup withholding with respect to payments of principal and interest on, or the proceeds of the sale or other disposition of, a note. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against that non-U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS. In general, the name and address of the beneficial owner and the amount of interest paid on a note, as well as the amount, if any, withheld, must be reported to the IRS. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides.

Backup withholding will not apply to interest payments on the notes to a non-U.S. holder if the requirements described in clause (iv) of *Non-U.S. Holders' Interest Income* above are satisfied with respect to the holder, unless the payor has actual knowledge or reason to know that the holder is a United States person.

Information reporting and backup withholding will not apply to any payment of the proceeds of a sale of notes effected outside the United States by a foreign office of a broker as defined in applicable United States Treasury regulations (absent actual knowledge or reason to know that the payee is a United States person), unless such broker (i) is a United States person as defined in the Code, (ii) is a foreign person that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, (iii) is a controlled foreign corporation for U.S. federal income tax purposes, or (iv) is a foreign partnership with certain connections to the United States. Payment of the proceeds of any such sale effected outside the United States by a foreign office of any broker that is described in the preceding sentence may be subject to information reporting unless such broker has documentary evidence in its records that the beneficial owner is a non-U.S. holder and certain other conditions are met, or the beneficial owner otherwise establishes an exemption. Payments of the proceeds of any such sale to or through a United States office of a broker will be subject to information reporting and backup withholding unless the

beneficial owner satisfies the requirements described in clause (iv) of Non-U.S. Holders Interest income above and certain other conditions are met, or the beneficial owner otherwise establishes an exemption.

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Banc of America Securities LLC, BNP Paribas Securities Corp., Citigroup Global Markets Inc., Goldman, Sachs & Co., J.P. Morgan Securities Inc., HSBC Securities (USA) Inc. and Wells Fargo Securities, LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the principal amount of notes set forth opposite its name below.

<b>Underwriter</b>	<b>Principal Amount of Notes</b>
Banc of America Securities LLC	\$ 210,000,000
BNP Paribas Securities Corp.	210,000,000
Citigroup Global Markets Inc.	210,000,000
Goldman, Sachs & Co.	210,000,000
J.P. Morgan Securities Inc.	210,000,000
HSBC Securities (USA) Inc.	135,000,000
Wells Fargo Securities, LLC	135,000,000
Mizuho Securities USA Inc.	60,000,000
SG Americas Securities, LLC	60,000,000
TD Securities (USA) LLC	60,000,000
<b>Total</b>	<b>\$ 1,500,000,000</b>

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the notes sold under the underwriting agreement if any of these notes are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters and their controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

**Commissions and Discounts**

The representatives have advised us that the underwriters propose initially to offer the notes to the public at the public offering price set forth on the cover page of this prospectus supplement and to certain dealers at such price less a concession not in excess of 0.50% of the principal amount of the notes. After the initial offering, the public offering

price, concession or any other term of the offering may be changed.

	<b>Per Note</b>	<b>Total</b>
Public offering price	98.936%	\$ 1,484,040,000
Underwriting discount	0.875%	\$ 13,125,000
Proceeds, before expenses, to us	98.061%	\$ 1,470,915,000

The expenses of the offering, not including the underwriting discount, are estimated at \$1,585,000 and are payable by us.

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### **New Issue of Notes**

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any national securities exchange or for inclusion of the notes on any automated dealer quotation system. We have been advised by the underwriters that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the notes or that an active public market for the notes will develop. If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

### **Short Positions**

In connection with the offering, the underwriters may purchase and sell the notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater principal amount of notes than they are required to purchase in the offering. The underwriters must close out any short position by purchasing notes in the open market. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the notes or preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor any of the underwriters make any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

### **Other Relationships**

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking, commercial banking services and other commercial dealings in the ordinary course of business with us or our affiliates. Furthermore, they have received, or may in the future receive, customary fees and commissions for these transactions. In particular, affiliates of each of the underwriters are lenders and/or agents under our credit facilities for which they received or will receive customary fees and expenses. Banc of America Securities LLC, Citigroup Global Markets Inc., Goldman, Sachs & Co. and J.P. Morgan Securities Inc. and/or their respective affiliates provided financial advisory services in connection with the BP Acquisition and act as lenders and/or agents under the Bridge Facility. Affiliates of each of the underwriters are lenders and/or agents under our new \$1.0 billion 364-day revolving credit facility.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. The underwriters and their

respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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**Notice to Prospective Investors in the EEA**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State ) an offer to the public of any notes which are the subject of the offering contemplated by this prospectus supplement (the Securities ) may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Securities may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;
- (c) by the Managers to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities shall result in a requirement for the publication by the Company or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer of notes within the EEA should only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus for such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of notes through any financial intermediary, other than offers made by the underwriters which constitute the final offering of notes contemplated in this prospectus supplement.

For the purposes of this provision, the expression an offer to the public in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any notes under, the offer of notes contemplated by this prospectus supplement will be deemed to have represented, warranted and agreed to and with us and each underwriter that:

- (A) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- (B) in the case of any notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the notes acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors (as defined in the Prospectus Directive), or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or (ii) where notes have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those notes to it is not treated under the Prospectus Directive

as having been made to such persons.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order ) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully

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communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons ). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

### **Notice to Prospective Investors in Switzerland**

This document as well as any other material relating to the notes which are the subject of the offering contemplated by this prospectus supplement (the Securities ) does not constitute an issue prospectus pursuant to Articles 652a and/or 1156 of the Swiss Code of Obligations. The Securities will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the Securities, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The Securities are being offered in Switzerland by way of a private placement, i.e. to a small number of selected investors only, without any public offer and only to investors who do not purchase the Securities with the intention to distribute them to the public. The investors will be individually approached by or on behalf of the Issuer from time to time. This document as well as any other material relating to the Securities is personal and confidential and does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without express consent of the Issuer. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

### **Notice to Prospective Investors in the Dubai International Financial Centre**

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ( DFSA ). This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for the prospectus supplement. The notes to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the notes offered should conduct their own due diligence on the notes. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

### **Notice to Prospective Investors in Hong Kong**

This prospectus supplement has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The notes will not be offered or sold in Hong Kong other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

### **Notice to Prospective Investors in Singapore**

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether

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directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) (the SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, then shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

## **Notice to Prospective Investors in Japan**

The notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph,

Japanese Person shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

## **CONFLICTS OF INTEREST**

We expect to use more than 5% of the net proceeds of this offering to pay down borrowings under the Bridge Facility. Affiliates of Banc of America Securities LLC, Citigroup Global Markets Inc., Goldman, Sachs & Co. and J.P. Morgan Securities Inc. act as lenders and/or agents under the Bridge Facility. Because of the manner in which the proceeds will be used, the offering will be conducted in accordance with NASD Rule 2720. In accordance with that rule, no qualified independent underwriter is required because the notes offered are investment grade rated, as that term is defined in the rule.

## **VALIDITY OF THE SECURITIES**

The validity of the securities we are offering will be passed upon for us by Bracewell & Giuliani LLP, Houston, Texas. Certain legal matters with respect to the securities offered hereby will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

## **EXPERTS**

Our consolidated financial statements appearing in our Annual Report on Form 10-K for the year ended December 31, 2009, and the effectiveness of our internal control over financial reporting as of December 31, 2009, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon included therein, and incorporated herein by reference. Such financial statements are, and audited financial statements to be included in subsequently filed documents will be, incorporated herein in reliance upon the reports of Ernst & Young LLP pertaining to such financial statements and the effectiveness of our internal control over financial reporting as of the respective dates (to the extent covered by consents filed with the Securities and Exchange Commission) given on the authority of such firm as experts in accounting and auditing.

The information appearing in our Annual Report on Form 10-K for the year ended December 31, 2009, regarding our total proved reserves was prepared by Apache and reviewed by Ryder Scott Company Petroleum Engineers, as stated in their letter reports thereon included therein, and is incorporated by reference into this prospectus supplement in reliance upon the authority of such firm as experts in such matters.

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**PROSPECTUS**

**APACHE CORPORATION**

**APACHE FINANCE PTY LTD**

**APACHE FINANCE AUSTRALIA PTY LTD**

**APACHE FINANCE CANADA CORPORATION**

**APACHE FINANCE CANADA II CORPORATION**

The descriptions of the securities contained in this prospectus, together with the applicable prospectus supplements, summarize all the material terms and provisions of the various types of securities that Apache, Apache Finance, Apache Australia, Apache Canada and/or Apache Canada II may offer. The particular terms of the securities offered by any prospectus supplement will be described in that prospectus supplement. If indicated in an applicable prospectus supplement, the terms of the securities may differ from the terms summarized below. An applicable prospectus supplement will also contain information, where applicable, about material U.S. federal income tax considerations relating to the securities, and the securities exchange, if any, on which the securities will be listed.

Apache may sell from time to time, in one or more offerings:

common stock and related rights;

preferred stock;

depository shares;

common stock purchase contracts;

common stock purchase units;

senior debt securities; and/or

subordinated debt securities.

Each of Apache Finance, Apache Australia, Apache Canada and Apache Canada II may from time to time offer its senior or subordinated debt securities. Each of these securities may be guaranteed by us as described below.

In this prospectus, securities collectively refers to the securities described above.

Apache's common stock is listed for trading on the New York Stock Exchange, the Nasdaq Global Select Market and the Chicago Stock Exchange under the symbol APA.

We may sell securities to or through underwriters, dealers or agents. For additional information on the method of sale, you should refer to the section entitled Plan of Distribution. The names of any underwriters, dealers or agents involved in the sale of any securities and the specific manner in which they may be offered will be set forth in the prospectus supplement covering the sale of those securities.

This prospectus may not be used to sell securities unless it is accompanied by a prospectus supplement.

**Investing in these securities involves certain risks. For a discussion of the factors you should carefully consider before deciding to purchase these securities, please read Risk Factors in our most recently-filed Annual Report on Form 10-K and our most recently-filed Quarterly Report on Form 10-Q, as well as those that may be included in the applicable prospectus supplement and other information included and incorporated by reference in this prospectus. Also, please read Cautionary Statement Regarding Forward-Looking Statements beginning on page ii of this prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is December 2, 2008

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## ABOUT THIS PROSPECTUS

You should rely only on the information provided in or incorporated by reference in this prospectus, any prospectus supplement, or documents to which we otherwise refer you. We have not authorized anyone else to provide you with different information. We are not making an offer of any securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus, any prospectus supplement or any document incorporated by reference is accurate as of any date other than the date of the document in which such information is contained or such other date referred to in such document, regardless of the time of any sale or issuance of a security.

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission, or SEC, utilizing a shelf registration process. Under this shelf process, we may sell different types of securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering and the securities offered by us in that offering. The prospectus supplement may also add, update or change information in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the headings Where You Can Find More Information and Incorporation by Reference.

This prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by reference to the actual documents. Copies of some of the documents referred to herein have been filed or will be filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described below in the section entitled Where You Can Find More

Information.

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In this prospectus, references to Apache, we, us and our mean Apache Corporation and its consolidated subsidiaries unless otherwise noted. References to Apache Finance mean Apache Finance Pty Ltd. References to Apache Australia mean Apache Finance Australia Pty Ltd. References to Apache Canada mean Apache Finance Canada Corporation and references to Apache Canada II mean Apache Finance Canada II Corporation.

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus and the documents incorporated by reference in this prospectus contain statements that constitute forward looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

These statements relate to future events or our future financial performance, which involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as expect, anticipate, estimate, intend, may, will, would, should, predict, potential, plan, believe or the negative of these terms or similar terminology.

These statements are only predictions. Actual events or results may differ materially because of market conditions in our markets or other factors. Moreover, we do not, nor does any other person, assume responsibility for the accuracy and completeness of those statements. Unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update any of the forward-looking statements after the date of this prospectus. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed under the captions Risk Factors, Management's Discussion and Analysis of Results of Operations and Financial Condition in our annual report on Form 10-K for the fiscal year ended December 31, 2007 (incorporated by reference in this prospectus) and similar sections in our subsequent filings that we incorporated by reference in this prospectus, which describe risks and factors that could cause results to differ materially from those projected in those forward-looking statements.

Those risk factors may not be exhaustive. We operate in a continually changing business environment, and new risk factors emerge from time to time. We cannot predict these new risk factors, nor can we assess the impact, if any, of these new risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results.

Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 are not applicable to any of the issuers other than Apache.

### **WHERE YOU CAN FIND MORE INFORMATION**

We have filed a registration statement on Form S-3 with the SEC under the Securities Act of 1933, as amended, or the Securities Act, that registers the securities offered by this prospectus. The registration statement, including the attached exhibits, contains additional relevant information about us. The rules and regulations of the SEC allow us to omit from this prospectus some information included in the registration statement.

We file annual, quarterly, and special reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended, or the Exchange Act. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. The SEC maintains an Internet website at <http://www.sec.gov> that contains reports, proxy and information statements, and other information

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regarding issuers, including us, that file electronically with the SEC. General information about us, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, is available free of charge through our website at <http://www.apachecorp.com> as soon as reasonably practicable after we electronically file them with, or



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furnish them to, the SEC. Information on our website is not incorporated into this prospectus or our other securities filings and is not a part of these filings.

Our common stock has been listed and traded on the New York Stock Exchange since 1969, the Nasdaq Global Select Market since 2004 and the Chicago Stock Exchange since 1960. Accordingly, you may inspect the information we file with the Securities and Exchange Commission at the New York Stock Exchange, 20 Broad Street, New York, New York 10005, the National Association of Securities Dealers, Inc., 1735 K Street, N.W., Washington, D.C. 20006, and at the Chicago Stock Exchange, One Financial Place, 440 S. LaSalle Street, Chicago, Illinois 60605-1070. For more information on obtaining copies of our public filings at the New York Stock Exchange, you should call (212) 656-5060.

**INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference information into this document. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC will automatically update and supersede the previously filed information. We incorporate by reference the documents listed below and any future filings made by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, other than any portions of the respective filings that were furnished, pursuant to Item 2.02 or Item 7.01 of Current Reports on Form 8-K (including exhibits related thereto) or other applicable SEC rules, rather than filed, prior to the termination of the offerings under this prospectus:

Registration Statements on Form 8-A (File No. 001-04300) filed on January 24, 1996, May 12, 1999, May 13, 1999, December 13, 1999 and February 3, 2006;

Annual Report on Form 10-K (File No. 001-04300) for the year ended December 31, 2007, filed on February 29, 2008;

Quarterly Reports on Form 10-Q (File No. 001-4300) filed on May 12, 2008, August 11, 2008 and November 10, 2008; and

Current Reports on Form 8-K (File No. 001-04300) filed on September 29, 2008 and October 1, 2008.

Each of these documents is available from the SEC's web site and public reference rooms described above. Through our website, <http://www.apachecorp.com>, you can access electronic copies of documents we file with the SEC, including our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and any amendments to those reports. Information on our website is not incorporated by reference in this prospectus. Access to those electronic filings is available as soon as practical after filing with the SEC. You may also request a copy of those filings, excluding exhibits, at no cost by writing or telephoning Cheri L. Peper, Corporate Secretary, at our principal executive office, which is:

Apache Corporation  
2000 Post Oak Boulevard, Suite 100  
Houston, Texas 77056-4400  
(713) 296-6000

There are no separate financial statements of Apache Finance, Apache Australia, Apache Canada or Apache Canada II in this prospectus. We do not believe these financial statements would be helpful because:

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Apache Finance, Apache Australia, Apache Canada and Apache Canada II are wholly-owned subsidiaries of Apache, which files consolidated financial information under the Securities Exchange Act of 1934;

Apache Finance, Apache Australia, Apache Canada and Apache Canada II will not have any independent operations other than issuing their debt securities and other necessary or incidental activities as described in this prospectus;

Apache guarantees the debt securities of Apache Finance, Apache Australia, Apache Canada and Apache Canada II.

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You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. The information on our web site is not incorporated by reference into this prospectus. Neither Apache, Apache Finance, Apache Australia, Apache Canada nor Apache Canada II has authorized anyone to provide you with different information.

Neither Apache nor Apache Finance, Apache Australia, Apache Canada or Apache Canada II is making an offer of the securities covered by this prospectus in any state where the offer is not permitted.

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**APACHE CORPORATION**

Apache Corporation, a Delaware corporation formed in 1954, is an independent energy company that explores for, develops and produces natural gas, crude oil and natural gas liquids. In North America, our exploration and production interests are focused in the Gulf of Mexico, the Gulf Coast, East Texas, the Permian Basin, the Anadarko Basin and the Western Sedimentary Basin of Canada. Outside of North America we have exploration and production interests onshore Egypt, offshore Western Australia, offshore the United Kingdom in the North Sea (North Sea), and onshore Argentina.

We hold interests in many of our U.S., Canadian, and other international properties through operating subsidiaries, such as Apache Canada Ltd., DEK Energy Company (DEKALB), Apache Energy Limited (AEL), Apache North America, Inc., and Apache Overseas, Inc. Properties referred to in this prospectus, any prospectus supplement, or in any document incorporated by reference in this prospectus may be held by those subsidiaries. We treat all operations as one line of business.

**APACHE FINANCE PTY LTD**

Apache Finance is a proprietary company with limited liability organized in October 1997 under the laws of the Australian Capital Territory, Australia. Apache Finance is our indirect wholly-owned subsidiary, and Apache Finance issues debt securities guaranteed by us. Apache Finance was established to facilitate financing of and investment in our Australian operations and entities.

The principal place of business of Apache Finance is 256 St. George's Terrace, Level 3, Perth, Western Australia 6000; telephone 61-8-9422-7222.

**APACHE FINANCE AUSTRALIA PTY LTD**

Apache Australia is a proprietary company with limited liability organized in March 2003 under the laws of the Australian Capital Territory, Australia. Apache Australia is our indirect wholly-owned subsidiary, and Apache Australia issues debt securities guaranteed by us. Apache Australia was established to facilitate financing of and investment in our Australian operations and entities.

The principal place of business of Apache Australia is 256 St. George's Terrace, Level 3, Perth, Western Australia 6000; telephone 61-8-9422-7222.

**APACHE FINANCE CANADA CORPORATION**

Apache Canada is an unlimited liability company organized in August 1999 under the laws of the Province of Nova Scotia, Canada. Apache Canada is our indirect wholly-owned subsidiary and issues debt securities guaranteed by us. Apache Canada was established to facilitate financing of and investment in our Canadian operations and entities.

The principal place of business of Apache Canada is 700 9th Ave. SW, Suite 1000, Calgary, Alberta, Canada T2P 3V4; telephone 403-261-1200.

**APACHE FINANCE CANADA II CORPORATION**

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Apache Canada II is an unlimited liability company organized in March 2003 under the laws of the Province of Nova Scotia, Canada. Apache Canada II is our indirect wholly-owned subsidiary, and issues debt securities guaranteed by us. Apache Canada II was established to facilitate financing of and investment in our Canadian operations and entities.

The principal place of business of Apache Canada II is 700 9th Ave. SW, Suite 1000, Calgary, Alberta, Canada T2P 3V4; telephone 403-261-1200.

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**USE OF PROCEEDS**

Unless otherwise indicated in an accompanying prospectus supplement, we, Apache Finance, Apache Australia, Apache Canada and Apache Canada II expect to use the net proceeds from the sale of our securities and Apache Australia, Apache Canada and Apache Canada II debt securities, as the case may be, for general corporate purposes, which may include, among other things:

the repayment of outstanding indebtedness;

working capital;

capital expenditures; and

acquisitions.

The precise amount and timing of the application of such proceeds will depend upon our funding requirements and the availability and cost of other funds. We currently have no plans for specific use of the net proceeds. We will specify the principal purposes for which the net proceeds will be used in a prospectus supplement at the time of sale.

**DESCRIPTION OF APACHE CORPORATION CAPITAL STOCK**

The following descriptions of our common stock and preferred stock, together with the additional information included in any applicable prospectus supplement, summarize the material terms and provisions of these types of securities. For the complete terms of our common stock and preferred stock, please refer to our charter, bylaws and stockholder rights plan that are incorporated by reference into the registration statement that includes this prospectus. The terms of these securities may also be affected by the General Corporation Law of the State of Delaware.

Under our charter, our authorized capital stock currently consists of 430,000,000 shares of common stock, \$.625 par value per share, and 5,000,000 shares of preferred stock, no par value. We will describe the specific terms of any common stock or preferred stock we may offer in a prospectus supplement. If indicated in a prospectus supplement, the terms of any common stock or preferred stock offered under that prospectus supplement may differ from the terms described below.

**Common Stock**

As of October 31, 2008, we had approximately 334,689,127 shares of common stock issued and outstanding and approximately 22 million shares of common stock reserved for issuance pursuant to various employee benefit plans (including treasury shares authorized for issuance under those plans). Each outstanding share of common stock currently includes one preferred share purchase right issued under our stockholder rights plan, which is summarized below. All outstanding shares of common stock are, and any shares of common stock sold pursuant to this prospectus will be, duly authorized, validly issued, fully paid and non-assessable.

***Voting***

For all matters submitted to a vote of stockholders, each holder of common stock is entitled to one vote for each share registered in his or her name on our books. Our common stock does not have cumulative voting rights. As a result, subject to the voting rights of Series B preferred stockholders described below and any future holders of our preferred

stock, persons who hold more than 50 percent of the outstanding common stock entitled to elect members of the board of directors can elect all of the directors who are up for election in a particular year.

*Dividends*

If our board of directors declares a dividend, holders of common stock will receive payments from our funds that are legally available to pay dividends. This dividend right, however, is subject to any preferential

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dividend rights we have granted to Series B preferred stockholders or may grant to future holders of preferred stock.

### ***Liquidation***

If we dissolve, the holders of common stock will be entitled to share ratably in all the assets that remain after we pay our liabilities and any amounts we may owe to the persons who hold our preferred stock.

### ***Other Rights and Restrictions***

Holders of common stock do not have preemptive rights, and they have no right to convert their common stock into any other securities. Our common stock is not subject to redemption by us. Our charter and bylaws do not restrict the ability of a holder of common stock to transfer his or her shares of common stock.

Delaware law provides that, if we make a distribution to our stockholders other than a distribution of our capital stock either when we are insolvent or when we would be rendered insolvent, then our stockholders would be required to pay back to us the amount of the distribution we made to them, or the portion of the distribution that causes us to become insolvent, as the case may be.

### ***Listing***

Our common stock is listed on the New York Stock Exchange, the Nasdaq Global Select Market and the Chicago Stock Exchange under the symbol APA.

### ***Transfer Agent and Registrar***

The transfer agent and registrar for our common stock is Wells Fargo Bank, N.A.

## **Preferred Stock**

### ***General***

We have 5,000,000 shares of no par preferred stock authorized, of which 25,000 shares have been designated as Series A Junior Participating Preferred Stock and 100,000 shares have been designated as 5.68 % Series B Cumulative Preferred Stock. The remaining shares of preferred stock are undesignated.

Our charter authorizes our board of directors to issue preferred stock in one or more series and to determine the voting rights and dividend rights, dividend rates, liquidation preferences, conversion rights, redemption rights, including sinking fund provisions and redemption prices, and other terms and rights of each series of preferred stock.

### ***Series A***

The shares of Series A preferred stock are authorized for issuance pursuant to rights that trade with our outstanding common stock and are reserved for issuance upon the exercise of the rights discussed below under the caption  
Stockholder Rights Plan.

### ***Series B***

As of October 31, 2008, we had issued and outstanding 100,000 shares of Series B preferred stock in the form of one million depositary shares, each representing one-tenth (1/10th) of a share of Series B preferred stock. The Series B



preferred stock has no stated maturity, is not subject to a sinking fund and is not convertible into our common stock or any other securities. Since August 25, 2008, we have had the option to redeem the Series B preferred stock at \$1,000 per share. Holders of the depositary shares are entitled to receive cumulative cash dividends at an annual rate of \$5.68 per depositary share (based on \$56.80 for each share of Series B preferred stock) when, as and if declared by Apache's board of directors.

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The Series B preferred stock has a liquidation preference of \$1,000 per share, which is equivalent to \$100 per depositary share, plus accrued and unpaid dividends.

The Series B preferred stock ranks prior and superior to our common stock and Series A preferred stock as to payment of dividends and distribution of assets upon our dissolution, liquidation or winding up.

If dividends are not paid on the Series B preferred stock, cash payments on our common stock and any of our other capital stock that ranks junior to the Series B preferred stock as to dividends are prohibited and payments on any of our other capital stock that ranks equal to the Series B preferred stock as to dividends are restricted.

Shares of Series B preferred stock generally do not have voting rights. If, however, we fail to pay the equivalent of six quarterly dividends payable on the Series B preferred stock or another class or series of preferred stock that ranks equally with the Series B preferred stock, then we will increase the size of our board of directors by two members. The holders of the Series B preferred stock and any other class or series of preferred stock ranking equally with the Series B preferred stock voting as a single class together with any other class of preferred stock ranking equally will then have the right to vote for the two additional directors. This voting right would continue until we have paid all past dividends on all preferred stock.

Without the vote of at least 80 percent of the outstanding shares of Series B preferred stock, we may not amend any provision in our charter so as to adversely affect the powers, preferences, privileges or rights of the Series B preferred stock.

Without the approval of the holders, voting together as a single class, of 80 percent of all the shares of Series B preferred stock then outstanding and all shares of any other series of our preferred stock ranking equally as to dividends or upon liquidation we will not:

issue, authorize or increase the authorized amount of, or issue or authorize any obligation or security convertible into or evidencing a right to purchase, any stock of any class ranking prior to the Series B preferred stock as to dividends or upon liquidation; or

reclassify any of our authorized stock into any stock of any class, or any obligation or security convertible into or evidencing a right to purchase such stock, ranking prior to the Series B preferred stock,

provided that no such vote will be required for us to take any of these actions to issue, authorize or increase the authorized amount of, or issue or authorize any obligation or security convertible into or evidencing a right to purchase, any stock ranking equally with or junior to the Series B preferred stock.

Without the approval of the holders of at least a majority of the shares of Series B preferred stock then outstanding, we will not become a party to any merger, conversion, consolidation or compulsory share exchange unless the terms of that transaction do not provide for a change in the terms of the Series B preferred stock and the Series B preferred stock ranks equally with or prior to any capital stock of the surviving corporation as to dividends or upon liquidation, dissolution or winding up other than prior-ranking Apache stock previously authorized with the consent of holders of the Series B preferred stock.

***Undesignated Preferred Stock***

This summary of the undesignated preferred stock discusses terms and conditions that may apply to preferred stock offered under this prospectus. The applicable prospectus supplement will describe the particular terms of each series

of preferred stock actually offered. If indicated in the prospectus supplement, the terms of any series may differ from the terms described below.

The following description, together with any applicable prospectus supplement, summarizes all the material terms and provisions of any preferred stock being offered by this prospectus. It does not restate the terms and provisions in their entirety. We urge you to read our charter and any applicable certificate of designation that may be on file because they, and not this description, define the rights of any holders of preferred stock. We have filed our charter as an exhibit to the registration statement which includes this

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prospectus. We will incorporate by reference as an exhibit to the registration statement the form of any certificate of designation before the issuance of any series of preferred stock.

The prospectus supplement for any preferred stock that we actually offer pursuant to this prospectus may include some or all of the following terms:

the designation of the series of preferred stock;

the number of shares of preferred stock offered, the liquidation preference per share and the offering price of the preferred stock;

the dividend rate or rates of the shares, the method or methods of calculating the dividend rate or rates, the dates on which dividends, if declared, will be payable, and whether or not the dividends are to be cumulative and, if cumulative, the date or dates from which dividends will be cumulative;

the amounts payable on shares of the preferred stock