

APACHE CORP  
Form S-4/A  
June 29, 2010

**Table of Contents**

**As filed with the Securities and Exchange Commission on June 29, 2010**

**Registration No. 333-166964**

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

**Amendment No. 1  
to  
Form S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**APACHE CORPORATION**  
*(Exact Name of Registrant as Specified in its Charter)*

**Delaware**  
*(State or other jurisdiction of  
Incorporation or Organization)*

**1311**  
*(Primary Standard Industrial  
Classification Code Number)*

**41-0747868**  
*(I.R.S. Employer  
Identification Number)*

**One Post Oak Central  
2000 Post Oak Boulevard, Suite 100  
Houston, Texas 77056-4400  
(713) 296-6000**  
*(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive offices)*

**P. Anthony Lannie  
Executive Vice President and General Counsel  
Apache Corporation  
One Post Oak Central  
2000 Post Oak Boulevard, Suite 100  
Houston, Texas 77056-4400  
(713) 296-6000**  
*(Name, address, including zip code, and telephone number,  
including area code, of agent for service)*

***Copies To:***

**John B. Clutterbuck  
Tim C. Langenkamp  
Andrews Kurth LLP  
600 Travis, Suite 4200  
Houston, Texas 77002  
(713) 220-4200**

**Teresa G. Bushman  
Senior Vice President, General  
Counsel,  
and Secretary  
Mariner Energy, Inc.  
One BriarLake Plaza  
2000 West Sam Houston Parkway  
South,  
Suite 2000  
Houston, Texas 77042  
(713) 954-5505**

**Kelly B. Rose  
M. Breen Haire  
Baker Botts L.L.P.  
One Shell Plaza  
910 Louisiana Street  
Houston, Texas 77002-4995  
(713) 229-1234**

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions to the closing of the merger described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

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

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

---

**Table of Contents**

The information in this proxy statement/prospectus is not complete and may be changed. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**PRELIMINARY SUBJECT TO COMPLETION, DATED JUNE 29, 2010**

**PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT**

Dear Stockholders of Mariner Energy, Inc.:

On April 14, 2010, Mariner Energy, Inc. and Apache Corporation entered into a merger agreement that provides for Mariner to merge with and into a wholly owned subsidiary of Apache. The Mariner board of directors has determined that the merger and the merger agreement are advisable and in the best interests of Mariner and its stockholders and has approved the merger agreement and the merger.

Under the merger agreement, Mariner stockholders may elect to receive consideration consisting of cash, shares of Apache common stock or a combination of both in exchange for their shares of Mariner common stock, subject to a proration feature. Mariner stockholders electing to receive a mix of cash and stock consideration and non-electing stockholders will receive \$7.80 in cash and 0.17043 shares of Apache common stock in exchange for each share of Mariner common stock. Subject to proration, Mariner stockholders electing to receive all cash will receive \$26.00 in cash per Mariner share and Mariner stockholders electing to receive only Apache common stock will receive 0.24347 shares of Apache common stock in exchange for each share of Mariner common stock.

The total amount of cash and shares of Apache common stock that will be paid and issued, respectively, pursuant to the merger agreement is fixed, and an election to receive stock consideration or cash consideration is subject to a proration feature. As a result, if Mariner stockholders elect, in the aggregate, to receive cash in an amount greater than the aggregate cash consideration payable under the merger agreement, then those holders electing to receive all cash consideration will be prorated down (in accordance with their respective shares for which the cash consideration was elected) and will receive Apache stock as a portion of the overall consideration they receive for their shares. On the other hand, if Mariner stockholders elect, in the aggregate, to receive stock in an amount greater than the aggregate number of shares issuable under the merger agreement, then those holders electing to receive all stock consideration will be prorated down (in accordance with their respective shares for which the stock consideration was elected) and will receive cash as a portion of the overall consideration they receive for their shares.

Immediately following completion of the merger, it is expected that Mariner stockholders will own approximately 5% of the outstanding shares of Apache common stock, based on the number of shares of Mariner and Apache common stock outstanding as of May 31, 2010.

Apache's common stock is listed on the New York Stock Exchange, the Chicago Stock Exchange and the NASDAQ National Market under the symbol APA.

Mariner's common stock is listed on the New York Stock Exchange under the symbol ME.

Mariner is holding a special meeting of stockholders on [ ], 2010 to consider and vote to approve and adopt the merger agreement, as it may be amended from time to time. Your vote is very important. The merger cannot be

completed unless the holders of a majority of the outstanding shares of Mariner common stock vote for the approval and adoption of the merger agreement at the special meeting. **Please note that a failure to vote your shares is the equivalent of a vote AGAINST the approval and adoption of the merger agreement.**

**The Mariner board of directors unanimously recommends that Mariner stockholders vote FOR the approval and adoption of the merger agreement.**

Your vote is important. Whether or not you expect to attend the Mariner special meeting in person, we urge you to submit your proxy as promptly as possible through one of the delivery methods described in the accompanying proxy statement/prospectus.

In addition, we urge you to read carefully the accompanying proxy statement/prospectus (and the documents incorporated by reference into the accompanying proxy statement/prospectus), which includes important information about the merger agreement, the proposed merger, Mariner, Apache and the special meeting. The obligations of Apache and Mariner to complete the merger are subject to the satisfaction or waiver of several conditions set forth in the merger agreement. **Please pay particular attention to the section titled Risk Factors in the accompanying proxy statement/prospectus.**

On behalf of the Mariner board of directors, thank you for your continued support.

Sincerely,

Scott D. Josey  
*Chairman of the Board, Chief Executive Officer and President*

**Neither the Securities and Exchange Commission, which is referred to as the SEC, nor any state securities commission has approved or disapproved of the merger or the securities to be issued under this proxy statement/prospectus or has passed upon the adequacy or accuracy of the disclosure in this proxy statement/prospectus. Any representation to the contrary is a criminal offense.**

This proxy statement/prospectus is dated [ ], 2010, and is first being mailed to Mariner stockholders on or about [ ], 2010.

---

**Table of Contents**

**One BriarLake Plaza  
2000 West Sam Houston Parkway South, Suite 2000  
Houston, Texas 77042  
(713) 954-5500**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

To the Stockholders of Mariner Energy, Inc.:

Notice is hereby given that a special meeting of stockholders of Mariner Energy, Inc., a Delaware corporation, which is referred to as Mariner, will be held on [ ], 2010 at [ ], local time, at Mariner's principal executive offices located at One BriarLake Plaza, 2000 West Sam Houston Parkway South, Suite 2000, Houston, Texas 77042, for the following purposes:

1. to consider and vote on the proposal to approve and adopt the Agreement and Plan of Merger, dated April 14, 2010 (referred to as the merger agreement), by and among Apache Corporation, which is referred to as Apache, ZMZ Acquisitions LLC, a Delaware limited liability company and a wholly owned subsidiary of Apache, and Mariner, as it may be amended from time to time (a copy of the merger agreement is attached as Annex A to the proxy statement/prospectus accompanying this notice);
2. to consider and vote on any proposal to adjourn the special meeting to a later date or dates if necessary to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and
3. to transact any other business that may properly come before the special meeting or any adjournment or postponement of the special meeting.

These items of business, including the merger agreement and the proposed merger, are described in detail in the accompanying proxy statement/prospectus. **The Mariner board of directors has determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and in the best interests of Mariner and its stockholders and unanimously recommends that Mariner stockholders vote FOR the proposal to approve and adopt the merger agreement and FOR any proposal to adjourn the special meeting if necessary to solicit additional proxies in favor of approval and adoption.** In considering the recommendation of Mariner's board of directors, stockholders of Mariner should be aware that members of Mariner's board of directors and its executive officers have agreements and arrangements that provide them with interests in the merger that may be different from, or in addition to, those of Mariner stockholders. See "The Merger - Interests of the Mariner Directors and Executive Officers in the Merger."

Only stockholders of record as of the close of business on [ ], 2010 are entitled to notice of the Mariner special meeting and to vote at the Mariner special meeting or at any adjournment or postponement thereof. A list of stockholders entitled to vote at the special meeting will be available in our principal executive offices located at One BriarLake Plaza, 2000 West Sam Houston Parkway South, Suite 2000, Houston, Texas 77042, during regular business hours for a period of no less than ten days before the special meeting and at the place of the special meeting during the meeting.

Approval and adoption of the merger agreement by the Mariner stockholders is a condition to the merger and requires the affirmative vote of holders of a majority of the shares of Mariner common stock outstanding and entitled to vote thereon. Therefore, your vote is very important. **Your failure to vote your shares will have the same effect as a vote AGAINST the approval and adoption of the merger agreement.**

By Order of the Board of Directors of  
Mariner Energy, Inc.

Teresa G. Bushman,  
*Senior Vice President, General Counsel, and Secretary*  
Houston, Texas  
[ ], 2010

---

**Table of Contents**

**YOUR VOTE IS IMPORTANT!**

WHETHER OR NOT YOU EXPECT TO ATTEND THE MARINER SPECIAL MEETING IN PERSON, WE URGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) THROUGH THE INTERNET, (2) BY TELEPHONE OR (3) BY MARKING, SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED. You may revoke your proxy or change your vote at any time before the Mariner special meeting. If your shares are held in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction card furnished to you by such record holder. Brokers cannot vote on the proposal to approve and adopt the merger agreement without your instructions.

We urge you to read the accompanying proxy statement/prospectus, including all documents incorporated by reference into the accompanying proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions concerning the merger, the special meeting or the accompanying proxy statement/prospectus, would like additional copies of the accompanying proxy statement/prospectus or need help voting your shares of Mariner common stock, please contact Mariner's information agent/proxy solicitor:

Morrow & Co., LLC  
470 West Avenue  
Stamford, CT 06902  
Stockholders, call toll-free: (800) 278-2141  
Banks and brokers, call collect: (203) 658-9400

---



**Table of Contents**

**ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates by reference important business and financial information about Apache and Mariner from other documents filed with the SEC that are not included or delivered with this proxy statement/prospectus. See *Where You Can Find More Information; Incorporation by Reference*.

Documents incorporated by reference are available to you without charge upon written or oral request. You can obtain any of these documents by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers.

Apache Corporation  
Attention: Corporate Secretary  
One Post Oak Central  
2000 Post Oak Boulevard, Suite 100  
Houston, Texas 77056-4400  
(713) 296-6157  
[www.apachecorp.com](http://www.apachecorp.com)

Mariner Energy, Inc.  
Attention: Corporate Secretary  
One BriarLake Plaza  
2000 West Sam Houston Parkway South, Suite 2000  
Houston, Texas 77042  
(713) 954-5505  
[www.mariner-energy.com](http://www.mariner-energy.com)

**To receive timely delivery of the requested documents in advance of the special meeting, you should make your request no later than [ ], 2010.**

**ABOUT THIS DOCUMENT**

This document, which forms part of a registration statement on Form S-4 filed with the SEC by Apache (File No. 333-166964), constitutes a prospectus of Apache under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of Apache common stock to be issued pursuant to the merger agreement. This document also constitutes a notice of meeting and a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, with respect to the special meeting of Mariner stockholders, at which Mariner stockholders will be asked to consider and vote on, among other matters, a proposal to approve and adopt the merger agreement.

You should rely only on the information contained in or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated [ ], 2010. The information contained in this document is accurate only as of that date or in the case of information in a document incorporated by reference, as of the date of such document, unless the information specifically indicates that another date applies. Neither our mailing of this document to Mariner stockholders nor the issuance by Apache of shares of its common stock pursuant to the merger agreement will create any implication to the contrary.

---

**Table of Contents**

**Table of Contents**

<u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	1
<u>SUMMARY</u>	7
<u>The Companies</u>	7
<u>The Merger</u>	7
<u>Election Procedures</u>	9
<u>Treatment of Equity Awards</u>	9
<u>Recommendation of the Mariner Board of Directors and its Reasons for the Merger</u>	9
<u>Opinion of Mariner's Financial Advisor</u>	10
<u>Directors and Executive Officers of Apache After the Merger</u>	10
<u>Mariner Stockholder Meeting; Stockholders Entitled to Vote; Vote Required</u>	10
<u>Apache Stockholder Approval is Not Required</u>	11
<u>Ownership of Apache After the Merger</u>	11
<u>Share Ownership of Directors and Executive Officers of Mariner</u>	11
<u>Interests of the Mariner Directors and Executive Officers in the Merger</u>	11
<u>Risks Relating to the Merger</u>	11
<u>Material U.S. Federal Income Tax Consequences of the Merger</u>	11
<u>Accounting Treatment</u>	12
<u>Listing of Shares of Apache Common Stock; Delisting and Deregistration of Mariner Common Stock</u>	12
<u>Appraisal Rights in the Merger</u>	12
<u>Conditions to the Merger</u>	12
<u>Regulatory Approvals Required for the Merger</u>	13
<u>No Solicitation and Change in Recommendation</u>	13
<u>Termination of the Merger Agreement</u>	14
Table of Contents	10

<u>Termination Fee</u>	14
<u>Source of Funding for the Merger</u>	14
<u>Comparison of Rights of Apache Stockholders and Mariner Stockholders</u>	15
<u>Litigation Relating to the Merger</u>	15
<u>SELECTED HISTORICAL FINANCIAL, OPERATING AND RESERVE DATA OF APACHE</u>	16
<u>SELECTED HISTORICAL FINANCIAL, OPERATING AND RESERVE DATA OF MARINER</u>	18
<u>UNAUDITED COMPARATIVE PER SHARE INFORMATION</u>	20
<u>COMPARATIVE APACHE AND MARINER MARKET PRICE AND DIVIDEND DATA</u>	22
<u>Historical Market Prices</u>	22
<u>Dividends</u>	23
<u>RISK FACTORS</u>	24
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS</u>	31
<u>ADDITIONAL INFORMATION ABOUT APACHE</u>	33
<u>Insurance</u>	33
<u>Remediation Plans and Procedures</u>	33

**Table of Contents**

<u>Competitive Conditions</u>	34
<u>Environmental Compliance</u>	34
<b><u>THE COMPANIES</u></b>	36
<u>Apache Corporation</u>	36
<u>Mariner Energy, Inc.</u>	36
<u>ZMZ Acquisitions LLC</u>	36
<b><u>THE MERGER</u></b>	37
<u>General</u>	37
<u>Background of the Merger</u>	38
<u>Recommendation of the Mariner Board of Directors and Its Reasons for the Merger</u>	46
<u>Opinion of Mariner's Financial Advisor</u>	49
<u>Mariner Projected Financial Information</u>	58
<u>Share Ownership of Directors and Executive Officers of Mariner</u>	61
<u>Interests of the Mariner Directors and Executive Officers in the Merger</u>	62
<u>Apache Reasons for the Merger</u>	68
<u>Material U.S. Federal Income Tax Consequences of the Merger</u>	70
<u>Accounting Treatment</u>	73
<u>Regulatory Approvals Required for the Merger</u>	74
<u>Directors and Executive Officers of Apache After the Merger</u>	74
<u>Listing of Apache Common Stock</u>	74
<u>Delisting and Deregistration of Mariner Common Stock</u>	74
<u>Apache Stockholder Approval is Not Required</u>	74
<u>Ownership of Apache after the Merger</u>	74
<u>Restrictions on Sales of Shares of Apache Common Stock Received in the Merger</u>	74
Table of Contents	12

<u>Litigation Relating to the Merger</u>	75
<u>THE MERGER AGREEMENT</u>	76
<u>Merger</u>	76
<u>Effective Time; Closing</u>	76
<u>Conversion of Securities</u>	76
<u>Employee Stock Options; Restricted Shares</u>	77
<u>Dissenting Shares</u>	78
<u>Election Procedures</u>	78
<u>Allocation of Merger Consideration</u>	79
<u>Surrender of Shares; Stock Transfer Books</u>	79
<u>Withholding Taxes</u>	80
<u>Representations and Warranties</u>	80
<u>Conduct of Business Pending the Effective Time of the Merger</u>	83
<u>Certain Additional Agreements</u>	85
<u>Conditions to the Merger</u>	87
<u>Termination, Amendment and Waiver</u>	89

**Table of Contents**

<u>APPRAISAL RIGHTS</u>	92
<u>SOURCE OF FUNDING FOR THE MERGER</u>	96
<u>COMPARISON OF RIGHTS OF APACHE STOCKHOLDERS AND MARINER STOCKHOLDERS</u>	97
<u>THE MARINER SPECIAL MEETING</u>	104
<u>Date, Time, Place and Purpose of the Mariner Special Meeting</u>	104
<u>Who Can Vote at the Mariner Special Meeting</u>	104
<u>Quorum; Vote Required for Approval</u>	104
<u>Manner of Voting</u>	105
<u>Shares Held in Street Name</u>	105
<u>Tabulation of the Votes</u>	106
<u>Proxy Solicitation</u>	106
<u>No Other Business</u>	106
<u>Adjournments</u>	106
<u>Mariner 2011 Annual Stockholder Meeting and Stockholder Proposals</u>	106
<u>LEGAL MATTERS</u>	107
<u>EXPERTS</u>	107
<u>Apache</u>	107
<u>Mariner</u>	107
<u>WHERE YOU CAN FIND MORE INFORMATION; INCORPORATION BY REFERENCE</u>	108
<u>Annexes</u>	
<u>Annex A</u>	<u>Agreement and Plan of Merger</u>
<u>Annex B</u>	<u>Opinion of Mariner's Financial Advisor</u>
<u>Annex C</u>	<u>Section 262 of the General Corporation Law of the State of Delaware</u>
<u>EX-5.1</u>	
<u>EX-8.1</u>	
<u>EX-8.2</u>	

EX-23.4

EX-23.5

EX-23.6

EX-23.7

EX-23.8

EX-23.9

EX-99.1

EX-99.2

EX-99.3

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE MERGER**

*The following are some questions that Mariner stockholders may have regarding the merger and the special meeting, and brief answers to those questions. You are encouraged to read carefully this entire proxy statement/prospectus, including the Annexes, and the other documents to which this proxy statement/prospectus refers or incorporates by reference because the information in this section does not provide all the information that might be important to you. Unless stated otherwise, all references in this proxy statement/prospectus to Apache are to Apache Corporation, a Delaware corporation; all references to Mariner are to Mariner Energy, Inc., a Delaware corporation; all references to Merger Sub or the surviving entity are to ZMZ Acquisitions LLC, a Delaware limited liability company and a wholly owned subsidiary of Apache; and all references to the merger agreement are to the Agreement and Plan of Merger, dated April 14, 2010, by and among Apache, Merger Sub and Mariner, a copy of which is attached as Annex A to this proxy statement/prospectus and is incorporated herein by reference.*

**Q: Why am I receiving this document?**

A: Apache and Mariner have agreed to a merger, pursuant to which Mariner will merge with and into a wholly owned subsidiary of Apache and will cease to be a publicly held corporation. In order to complete the merger, Mariner stockholders must vote to approve and adopt the merger agreement, and Mariner is holding a special meeting of stockholders to obtain such stockholder approval. In the merger, Mariner stockholders may elect to receive consideration consisting of cash, shares of Apache common stock, or a combination of both in exchange for their shares of Mariner common stock, subject to a proration feature.

This document is being delivered to you as both a proxy statement of Mariner and a prospectus of Apache in connection with the merger. It is the proxy statement by which the Mariner board of directors is soliciting proxies from you to vote on the approval and adoption of the merger agreement, as it may be amended from time to time, at the special meeting or at any adjournment or postponement of the special meeting. It is also the prospectus by which Apache may issue Apache common stock to you in the merger.

**Q: What will happen in the merger?**

A: In the merger, Mariner will merge with and into Merger Sub, with Merger Sub surviving the merger as a wholly owned subsidiary of Apache. As a result of the merger, Mariner will cease to exist, Merger Sub will continue to be owned by Apache and Apache will continue as a public company.

**Q: What will I receive in the merger?**

A: If the merger is completed, each of your shares of Mariner common stock will be converted into the right to receive, at your election and subject to proration, one of the following: (i) 0.24347 shares of Apache common stock, par value \$0.625 per share, which is sometimes referred to as the stock consideration, (ii) \$26.00 in cash, which is sometimes referred to as the cash consideration or (iii) a combination of \$7.80 in cash and 0.17043 shares of Apache common stock, which is sometimes referred to as the mixed consideration, as described under *The Merger Agreement* *Conversion of Securities*.

The total amount of cash and shares of Apache common stock that will be paid and issued, respectively, pursuant to the merger agreement is fixed, and an election to receive stock consideration or cash consideration is subject to a proration feature. As a result, if Mariner stockholders elect, in the aggregate, to receive cash in an amount greater than the aggregate cash consideration payable under the merger agreement, then those holders electing to receive all cash



consideration will be prorated down (in accordance with their respective shares for which the cash consideration was elected) and will receive Apache stock as a portion of the overall consideration they receive for their shares. On the other hand, if Mariner stockholders elect, in the aggregate, to receive stock in an amount greater than the aggregate number of shares issuable under the merger agreement, then those holders electing to receive all stock consideration will be prorated down (in accordance with their respective shares for which the stock consideration was elected) and will receive cash as a portion of the overall consideration they receive for their shares.

## **Table of Contents**

Based on the closing price of \$108.06 for Apache common stock on the New York Stock Exchange, or NYSE, on April 14, 2010, the last trading day before the public announcement of the merger agreement, the mixed consideration represented approximately \$26.22 in value for each share of Mariner common stock. Based on the closing price of \$[ ] for Apache common stock on the NYSE on [ ], 2010, the most recent practicable trading day prior to the date of this proxy statement/prospectus, the mixed consideration represented approximately \$[ ] in value for each share of Mariner common stock. **The market price of Apache common stock will fluctuate prior to the merger, and the market price of Apache common stock received by Mariner stockholders upon completion of the merger could be greater or less than the current market price of Apache common stock.** See Risk Factors.

### **Q: What happens if the merger is not completed?**

A: If the merger agreement is not approved and adopted by Mariner stockholders or if the merger is not completed for any other reason, you will not receive any consideration for your shares of Mariner common stock in connection with the merger. Instead, Mariner will remain an independent public company and its common stock will continue to be listed and traded on the NYSE. If the merger agreement is terminated under certain circumstances, Mariner may be required to pay Apache a termination fee of \$67 million as described under The Merger Agreement Termination, Amendment and Waiver. See Risk Factors Risks Relating to the Merger Failure to complete the merger could negatively impact the stock price and the future business and financial results of Mariner.

### **Q: What will happen to Mariner's stock options and restricted stock in the merger?**

A: Upon completion of the merger, each outstanding option to purchase Mariner common stock will be converted into a fully exercisable option to purchase the number of shares of Apache common stock obtained by multiplying the number of Mariner shares subject to the option by the 0.24347 exchange ratio, with a per share exercise price equal to the existing per-Mariner-share exercise price divided by the 0.24347 exchange ratio.

In addition, upon completion of the merger, each outstanding unvested share of Mariner restricted stock (other than shares of restricted stock granted pursuant to Mariner's 2008 Long-Term Performance-Based Restricted Stock Program, which are referred to as the Performance-Based Restricted Stock) will vest and will entitle the holder to the merger consideration in respect of each such vested share. See The Merger Agreement Employee Stock Options; Restricted Shares.

Also, upon completion of the merger, 40% of each outstanding award of Performance-Based Restricted Stock held by Mariner employees will vest and will entitle the holder to the merger consideration in respect of each such vested share, and the remaining portion of each award of Performance-Based Restricted Stock will be cancelled. Partial vesting of outstanding Performance-Based Restricted Stock awards occurs solely as a result of the terms of the merger agreement; otherwise, under the terms of Mariner's 2008 Long-Term Performance-Based Restricted Stock Program, 100% of the Performance-Based Restricted Stock would be forfeited. On the date the merger agreement was executed, the value of merger consideration associated with such partial vesting was approximately \$12.4 million based on a price of \$26 per share for Mariner common stock. See The Merger Agreement Employee Stock Options; Restricted Shares and The Merger Interests of the Mariner Directors and Executive Officers in the Merger Treatment of Equity Awards.

### **Q: When must I elect the type of merger consideration that I prefer to receive?**

A: Holders of Mariner common stock who wish to elect the type of merger consideration they prefer to receive pursuant to the merger should review and follow carefully the instructions set forth in the election form provided

Edgar Filing: APACHE CORP - Form S-4/A

to Mariner stockholders together with this proxy statement/prospectus or in a separate mailing. These instructions require that a properly completed and signed election form be received by the exchange agent by the election deadline, which is 5:00 p.m., New York time, on [ ], 2010. If the merger is consummated, each Mariner stockholder who did not submit a properly completed and signed election

**Table of Contents**

form to the exchange agent by the election deadline will receive a mix of cash and stock consideration consisting of \$7.80 in cash and 0.17043 shares of Apache common stock in exchange for each Mariner share.

**Q: What am I being asked to vote on?**

A: Mariner stockholders are being asked to vote on the following proposals:

to approve and adopt the merger agreement, as it may be amended from time to time; and

to approve the adjournment of the special meeting to a later date or dates if necessary to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting.

The approval by Mariner stockholders of the proposal to approve and adopt the merger agreement is a condition to the obligations of Mariner and Apache to complete the merger.

**Q: Does Mariner's board of directors recommend that stockholders approve and adopt the merger agreement?**

A: Yes. The Mariner board of directors has approved the merger agreement and the transactions contemplated thereby, including the merger, and determined that these transactions are advisable and in the best interests of Mariner and its stockholders. Therefore, the Mariner board of directors unanimously recommends that you vote **FOR** the proposal to approve and adopt the merger agreement at the special meeting. See The Merger Recommendation of the Mariner Board of Directors and its Reasons for the Merger.

In considering the recommendation of Mariner's board of directors, stockholders of Mariner should be aware that members of Mariner's board of directors and its executive officers have agreements and arrangements that provide them with interests in the merger that may be different from, or in addition to, those of Mariner stockholders. See The Merger Interests of the Mariner Directors and Executive Officers in the Merger.

**Q: What stockholder vote is required for the approval of each proposal?**

A: The following are the vote requirements for the proposals:

*Approval and Adoption of the Merger Agreement.* The affirmative vote of holders of a majority of the outstanding shares of Mariner common stock entitled to vote on the proposal, either in person or represented by proxy. Accordingly, abstentions and unvoted shares will have the same effect as votes **AGAINST** approval and adoption.

*Adjournment.* The affirmative vote of holders of a majority of the shares of Mariner common stock present in person or represented by proxy at the special meeting and entitled to vote thereat. Abstentions and broker non-votes will have the same effect as a vote **AGAINST** the proposal.

Your vote is very important. You are encouraged to submit a proxy as soon as possible.

**Q: What constitutes a quorum for the special meeting?**

A: The presence in person or by proxy of the holders of a majority of the outstanding shares of Mariner common stock is necessary to constitute a quorum at the special meeting. If a stockholder is not present in person or

represented by proxy at the special meeting, such stockholder's shares will not be counted for purposes of calculating a quorum. Abstentions and broker non-votes count as present for establishing a quorum.

**Table of Contents**

**Q: If my shares are held in street name by my bank, broker or other nominee will they automatically vote my shares for me?**

A: No. If you hold shares of Mariner common stock in an account at a bank, broker or other nominee and do not chose to attend the special meeting in person, you must provide your bank, broker or other nominee with instructions as to how to vote your shares of Mariner common stock. You may also vote in person at the special meeting; however, if you wish to do so, you must bring a proxy from the bank, broker or other nominee identifying you as the beneficial owner of such shares of Mariner common stock and authorizing you to vote. Brokers will NOT vote shares of Mariner common stock held in street name unless you have instructed your broker how to vote. A failure to vote will have the same effect as a vote **AGAINST** the approval and adoption of the merger agreement.

**Q: Are there risks associated with the merger that I should consider in deciding how to vote?**

A: Yes. There are a number of risks related to the merger that are discussed in this proxy statement/prospectus and in other documents incorporated by reference. You should read carefully the detailed description of the risks associated with the merger and the operations of Apache after the merger described in Risk Factors.

**Q: If my Mariner stock is certificated, should I send in my stock certificates with my proxy card?**

A: No. Please do not send your Mariner stock certificates with your proxy card. Rather, prior to the election deadline, send your completed, signed election form, together with your Mariner common stock certificates (or a properly completed notice of guaranteed delivery) to the exchange agent. Please note that most of Mariner's shares are held in book-entry form and are uncertificated, which means that they are not represented by stock certificates. The election form for your Mariner shares and your instructions will be delivered to you together with this proxy statement/prospectus or in a separate mailing. If your shares of Mariner common stock are held in street name by your broker or other nominee, you should follow their instructions for making an election.

**Q: What are the tax consequences of the merger?**

A: Apache and Mariner each expect the merger to qualify as a reorganization that is tax free pursuant to Section 368(a) of the Internal Revenue Code of 1986, as amended, to the extent Mariner stockholders receive stock pursuant to the merger.

Please review carefully the information under the caption The Merger Material U.S. Federal Income Tax Consequences of the Merger for a description of material U.S. federal income tax consequences of the merger. The tax consequences to you will depend on your own situation. Please consult your tax advisors for a full understanding of the tax consequences of the merger to you.

**Q: When do Apache and Mariner expect to complete the merger?**

A: Apache and Mariner are working to complete the merger as quickly as practicable. Apache and Mariner currently expect the merger to be completed during the third quarter of 2010, subject to the approval and adoption of the merger agreement by Mariner stockholders, governmental and regulatory approvals and other usual and customary closing conditions. However, no assurance can be given as to when, or if, the merger will occur. See The Merger Agreement Conditions to the Merger.

**Q: Will I receive dividends on any Apache common stock I receive in the merger?**

A: Mariner historically has retained its earnings for the development of its business and, accordingly, has not paid dividends since it commenced regular way trading on March 3, 2006 on the NYSE. Mariner's existing bank credit facility and indentures governing its senior unsecured notes contain certain covenants that restrict Mariner's ability to pay dividends. However, after the merger is completed, you will be entitled to receive any dividends declared by Apache's board of directors with a record date after the

**Table of Contents**

effective time of the merger on any shares of Apache common stock you receive pursuant to the merger. Apache has paid cash dividends on its common stock for 45 consecutive years through December 31, 2009. However, when, and if, declared by Apache's board of directors, future dividend payments will depend upon Apache's level of earnings, financial requirements and other relevant factors.

**Q: Where will my shares be traded after the merger?**

A: Apache common stock will continue to be traded on the NYSE, the Chicago Stock Exchange and the NASDAQ National Market under the symbol APA. Mariner common stock will no longer be traded.

**Q: What will Apache stockholders receive in the merger?**

A: Apache common stockholders will simply retain the Apache common stock they currently own. They will not receive any additional Apache common stock in the merger.

**Q: Am I entitled to appraisal rights?**

A: If the merger is approved and adopted by Mariner stockholders, Mariner stockholders who do not vote in favor of the approval and adoption of the merger agreement and who properly demand appraisal of their shares will be entitled to appraisal rights in connection with the merger under Section 262 of the General Corporation Law of the State of Delaware, or the DGCL. For more information regarding appraisal rights, see Appraisal Rights. In addition, a copy of Section 262 of the DGCL is attached to this proxy statement/prospectus as Annex C.

**Q: When and where is the special meeting?**

A: The special meeting will be held on [ ], 2010 at [ ], local time, at Mariner's principal executive offices located at One BriarLake Plaza, 2000 West Sam Houston Parkway South, Suite 2000, Houston, Texas 77042.

**Q: Who can vote at the special meeting?**

A: All holders of Mariner common stock who held shares at the close of business on the record date for the special meeting ([ ], 2010) are entitled to receive notice of and to vote at the special meeting, provided that such shares remain outstanding on the date of the special meeting or any adjournment or postponement thereof. As of the close of business on the record date, there were [ ] shares of Mariner common stock outstanding and entitled to vote at the special meeting, held by approximately [ ] holders of record. Each share of Mariner common stock is entitled to one vote.

**Q: Is my vote important?**

A: Yes, your vote is very important. If you do not submit a proxy or vote in person at the special meeting, it will be more difficult for Mariner to obtain the necessary quorum to hold the special meeting. In addition, if you fail to vote, or if you abstain, that will have the same effect as a vote **AGAINST** the approval and adoption of the merger agreement. If you hold your shares through a bank, broker or other nominee, your bank, broker or other nominee will not be able to cast a vote on the approval and adoption of the merger agreement without instructions from you. The Mariner board of directors unanimously recommends that you vote **FOR** the approval and adoption of the merger agreement.

**Q: What happens if I sell my shares after the record date but before the special meeting?**



- A: The record date for the special meeting is earlier than the date of the special meeting and the date that the merger is expected to be completed. If you sell or otherwise transfer your Mariner shares after the record date but before the date of the special meeting, you will retain your right to vote at the special meeting. However, you will not have the right to receive the merger consideration to be received by Mariner's stockholders in the merger. In order to receive the merger consideration, you must hold your shares through completion of the merger.

**Table of Contents**

**Q: What do I need to do now?**

A: After you have carefully read this proxy statement/prospectus, please respond by completing, signing and dating your proxy card and returning it in the enclosed postage-paid envelope or, if available, by submitting your proxy by telephone or through the Internet as soon as possible so that your shares of Mariner common stock will be represented and voted at the special meeting.

Please refer to your proxy card or the information forwarded by your bank, broker or other nominee to see which voting options are available to you.

The Internet and telephone proxy submission procedures are designed to verify your stock holdings and to allow you to confirm that your instructions have been properly recorded.

The method by which you submit a proxy will in no way limit your right to vote at the special meeting if you later decide to attend the meeting in person. If your shares of Mariner common stock are held in the name of a bank, broker or other nominee, you must obtain a proxy, executed in your favor, from the holder of record, to be able to vote in person at the special meeting.

**Q: How will my proxy be voted?**

A: All shares of Mariner common stock entitled to vote and represented by properly completed proxies received prior to the special meeting, and not revoked, will be voted at the special meeting as instructed on the proxies. **If you properly complete, sign and return a proxy card, but do not indicate how your shares of Mariner common stock should be voted, the shares of Mariner common stock represented by your proxy will be voted as the Mariner board of directors recommends and therefore FOR the approval and adoption of the merger agreement and FOR any proposal to adjourn the special meeting to a later date or dates if necessary to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting.**

**Q: Can I revoke my proxy or change my vote after I have delivered my proxy?**

A: Yes. You may revoke or change your proxy at any time before your proxy is voted. You can change your proxy by delivering a later dated proxy using any of the methods listed above. You can revoke your proxy by delivering written notice of revocation to The Continental Stock Transfer & Trust Company at the address set forth in The Mariner Special Meeting Manner of Voting. You also can attend the meeting, withdraw your proxy and vote your shares personally. Your attendance at the meeting will not constitute automatic revocation of your proxy. If your shares are held in the name of a broker, bank or other nominee and you have directed the record holder to vote your shares, you should instruct the record holder to change your vote or obtain a proxy from the broker, bank or other nominee to do so yourself.

**Q: What should I do if I receive more than one set of voting materials for the special meeting?**

A: You may receive more than one set of voting materials for the special meeting, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your shares of Mariner common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares of Mariner common stock. If you are a holder of record and your shares of Mariner common stock are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction

card that you receive.

**Q: Who can answer my questions?**

A: Mariner stockholders should call Morrow & Co., LLC, Mariner's information agent/proxy solicitor, toll-free at (800) 278-2141 (banks and brokers call collect at (203) 658-9400) with any questions about the merger or the special meeting, or to obtain additional copies of this proxy statement/prospectus or proxy cards.

**Table of Contents**

**SUMMARY**

*The following is a summary that highlights information contained in this proxy statement/prospectus. This summary may not contain all of the information that is important to you. For a more complete description of the merger agreement and the transactions contemplated by the merger agreement, you are encouraged to read carefully this entire proxy statement/prospectus, including the attached Annexes. In addition, you are encouraged to read the information incorporated by reference into this proxy statement/prospectus, which includes important business and financial information about Apache and Mariner that has been filed with the SEC. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions in the section entitled *Where You Can Find More Information; Incorporation by Reference*.*

**The Companies (See page [ ])**

***Apache Corporation***

Apache, 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, Apache's 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, Apache has exploration and production interests onshore Egypt, offshore Western Australia, offshore the United Kingdom in the North Sea (North Sea), and onshore Argentina. Apache also has exploration interests on the Chilean side of the island of Tierra del Fuego.

Apache's common stock is listed on the NYSE, the Chicago Stock Exchange, and the NASDAQ National Market and trades under the symbol **APA**.

Apache's principal executive offices are located at One Post Oak Central, 2000 Post Oak Boulevard, Suite 100, Houston, Texas 77056, its telephone number is (713) 296-6000 and its website is [www.apachecorp.com](http://www.apachecorp.com).

***Mariner Energy, Inc.***

Mariner, a Delaware corporation formed in 1983, is an independent oil and gas exploration, development, and production company headquartered in Houston, Texas, with principal operations in the Permian Basin, Gulf Coast and the Gulf of Mexico.

Mariner's common stock is listed on the NYSE and trades under the symbol **ME**.

Mariner's principal executive offices are located at One BriarLake Plaza, 2000 West Sam Houston Parkway South, Suite 2000, Houston, Texas 77042, its telephone number is (713) 954-5500 and its website is [www.mariner-energy.com](http://www.mariner-energy.com).

***ZMZ Acquisitions LLC***

ZMZ Acquisitions LLC, which is sometimes referred to as Merger Sub, is a Delaware limited liability company and a wholly owned subsidiary of Apache. Merger Sub was formed solely for the purpose of entering into the merger agreement. Merger Sub has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the merger.

Merger Sub's principal executive offices are located at One Post Oak Central, 2000 Post Oak Boulevard, Suite 100, Houston, Texas 77056 and its telephone number is (713) 296-6000.

**The Merger (See page [ ])**

Apache, Merger Sub and Mariner have entered into the merger agreement. Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, Mariner will be merged with and

**Table of Contents**

into Merger Sub, with Merger Sub continuing as the surviving entity. Upon completion of the merger, Mariner will cease to exist and Mariner common stock will no longer be outstanding or publicly traded.

Under the merger agreement, Mariner stockholders may elect to receive consideration consisting of cash, shares of Apache common stock or a combination of both in exchange for their shares of Mariner common stock, subject to a proration feature. Mariner stockholders electing to receive a mix of cash and stock consideration and non-electing stockholders will receive \$7.80 in cash and 0.17043 shares of Apache common stock in exchange for each share of Mariner common stock. Subject to proration, Mariner stockholders electing to receive all cash will receive \$26.00 in cash per Mariner share and Mariner stockholders electing to receive only Apache common stock will receive 0.24347 shares of Apache common stock in exchange for each share of Mariner common stock.

The aggregate cash consideration to be received by Mariner stockholders pursuant to the merger will be fixed at an amount equal to the product of \$7.80 and the number of shares of Mariner common stock outstanding immediately prior to the closing of the merger less 714,887 shares of outstanding unvested restricted stock that will be cancelled upon the merger. Such cash amount is expected to be approximately \$800 million. Similarly, the aggregate number of shares of Apache common stock to be received by Mariner stockholders pursuant to the merger will be fixed at a number equal to the product of 0.17043 and the number of shares of Mariner common stock outstanding immediately prior to the closing of the merger less 714,887 shares of outstanding unvested restricted stock that will be cancelled upon the merger. Such number is expected to be approximately 17.5 million shares of Apache common stock. Accordingly, if Mariner stockholders elect, in the aggregate, to receive cash in an amount greater than the aggregate cash consideration payable under the merger agreement, then those holders electing to receive all cash consideration will be prorated down and will receive Apache stock as a portion of the overall consideration they receive for their shares. On the other hand, if Mariner stockholders elect, in the aggregate, to receive stock in an amount greater than the aggregate number of shares issuable under the merger agreement, then those holders electing to receive all stock consideration will be prorated down and will receive cash as a portion of the overall consideration they receive for their shares. As a result, Mariner stockholders that make a valid election to receive all cash or all stock consideration may not receive merger consideration entirely in the form elected.

The share exchange ratios in the merger agreement are fixed and will not change between now and the completion of the merger, regardless of whether the market price of either Apache or Mariner common stock changes. The market price of Apache common stock will fluctuate prior to the merger, and the market price of Apache common stock received by Mariner stockholders after completion of the merger could be greater or less than the current market price of Apache common stock and the price of Apache common stock at the election deadline. In addition, at the time of the completion of the merger, the values of the three forms of merger consideration that Mariner stockholders will have the right to receive (which are (i) 0.24347 shares of Apache common stock per Mariner share, subject to proration, (ii) \$26.00 in cash per Mariner share, subject to proration, or (iii) a combination of \$7.80 in cash and 0.17043 shares of Apache common stock per Mariner share) may not be equal due to fluctuations in the market price of Apache common stock. See [Risk Factors](#) [Risks Relating to the Merger](#) As a result of the consideration election and proration provisions of the merger agreement, and because the market price of Apache common stock will fluctuate, Mariner stockholders cannot be sure of the aggregate value of the merger consideration that they will receive.

Apache will not issue any fractional shares of its common stock in connection with the merger. For each fractional share that would otherwise be issued, Apache will pay cash (without interest) in an amount equal to the product of the fractional share and the average of the closing price of Apache common stock on the NYSE, as reported in *The Wall Street Journal*, for the five consecutive trading days ending on the calendar day immediately prior to the closing date of the merger.

The merger agreement is attached as Annex A to this proxy statement/prospectus and is incorporated herein by reference. **You should read the merger agreement in its entirety because it is the legal document that governs the merger.**

## **Table of Contents**

### **Election Procedures (See page [ ])**

Mariner stockholders of record as of the close of business on the record date for the special meeting will receive (together with this proxy statement/prospectus or in a separate mailing) an election form that will allow each Mariner stockholder to specify the number of Mariner shares with respect to which such holder elects to receive: (i) the stock consideration, (ii) the cash consideration or (iii) the mixed consideration. You must complete properly and deliver to the exchange agent your election form along with your stock certificates, if any, (or a properly completed notice of guaranteed delivery). **Do not send your stock certificates or election form with your proxy card.**

Election forms and stock certificates (or a properly completed notice of guaranteed delivery) must be received by the exchange agent by the election deadline, which is 5:00 p.m., New York time, on [ ], 2010. Once you tender your stock certificates, if any, to the exchange agent, you may not transfer your shares of Mariner common stock until the merger is completed, unless you revoke your election by a written notice to the exchange agent that is received prior to the election deadline.

If you fail to submit a properly completed election form prior to the election deadline, you will be deemed not to have made an election. As a holder making no election, you will receive the mixed consideration in the merger.

If you own shares of Mariner common stock in street name through a bank, broker or other nominee and you wish to make an election, you should seek instructions from the bank, broker or other nominee holding your shares concerning how to make your election.

### **Treatment of Equity Awards (See page [ ])**

Upon completion of the merger, each outstanding option to purchase Mariner common stock will be converted into a fully exercisable option to purchase the number of shares of Apache common stock obtained by multiplying the number of Mariner shares subject to the option by the 0.24347 exchange ratio, with a per share exercise price equal to the existing per-Mariner-share exercise price divided by the 0.24347 exchange ratio. All outstanding options to acquire Mariner common stock were fully vested and exercisable by December 31, 2008.

In addition, upon completion of the merger, each outstanding share of Mariner restricted stock (other than Performance-Based Restricted Stock) will vest and will entitle the holder to the merger consideration in respect of each such vested share. In the merger agreement, Apache agreed that 40% of each outstanding award of Performance-Based Restricted Stock held by Mariner's employees will vest and will entitle the holder to the merger consideration in respect of each such vested share and the remaining portion will be cancelled. Partial vesting of outstanding Performance-Based Restricted Stock awards occurs solely as a result of the terms of the merger agreement; otherwise, under the terms of Mariner's 2008 Long-Term Performance-Based Restricted Stock Program, 100% of outstanding Performance-Based Restricted Stock would be forfeited. Apache agreed to the partial vesting in order to provide additional incentive to senior Mariner employees to remain employed through the closing of the merger, to foster a positive working relationship with Apache's future employees, and in recognition of the fact that the shares would otherwise be forfeited in only the third year of the ten-year program. On the date the merger agreement was executed, the value of merger consideration associated with such partial vesting was approximately \$12.4 million based on a price of \$26 per share for Mariner common stock.

### **Recommendation of the Mariner Board of Directors and its Reasons for the Merger (See page [ ])**



The Mariner board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Mariner and its stockholders, and approved and adopted the merger agreement and the transactions contemplated thereby. **The Mariner board unanimously recommends that Mariner stockholders vote FOR the proposals to approve and adopt the merger agreement and to approve any adjournment of the special meeting if necessary or appropriate to solicit additional proxies.**

## **Table of Contents**

As described under the heading **The Merger** **Interests of the Mariner Directors and Executive Officers in the Merger**, Mariner's directors and executive officers will receive financial benefits that may be different from, or in addition to, those of Mariner stockholders in the merger.

### **Opinion of Mariner's Financial Advisor (See page [ ])**

On April 14, 2010, Credit Suisse Securities (USA) LLC, which we refer to as Credit Suisse, rendered its oral opinion to Mariner's board of directors (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion dated the same date) to the effect that, as of April 14, 2010, the merger consideration to be received by the holders of Mariner common stock in the merger was fair, from a financial point of view, to such holders.

**Credit Suisse's opinion was directed to Mariner's board of directors and only addressed the fairness to the holders of Mariner common stock, from a financial point of view, of the merger consideration to be received by such holders in the merger, and did not address any other aspect or implication of the merger. The summary of Credit Suisse's opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of its written opinion, which is included as Annex B to this proxy statement/prospectus and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Credit Suisse in preparing its opinion. However, neither Credit Suisse's written opinion nor the summary of its opinion and the related analyses set forth in this proxy statement/prospectus are intended to be, and do not constitute advice or a recommendation to any holder of Mariner common stock as to how such stockholder should act or vote with respect to any matter relating to the merger. See **The Merger Opinion of Mariner's Financial Advisor**.**

### **Directors and Executive Officers of Apache After the Merger (See page [ ])**

The directors and executive officers of Apache prior to the merger will continue as the directors and executive officers of Apache after the merger.

### **Mariner Stockholder Meeting; Stockholders Entitled to Vote; Vote Required (See page [ ])**

The special meeting of the stockholders of Mariner will be for the following purposes:

to consider and vote on the proposal to approve and adopt the merger agreement, as it may be amended from time to time;

to consider and vote on any proposal to adjourn the special meeting to a later date or dates if necessary to solicit additional proxies if there are insufficient votes to approve and adopt the merger agreement at the time of the special meeting; and

to transact any other business that may properly come before the special meeting or any adjournment or postponement of the special meeting.

All holders of Mariner common stock who held shares at the close of business on the record date for the special meeting ([ ], 2010) are entitled to receive notice of and to vote at the special meeting, or any postponement or adjournment thereof, provided that such shares remain outstanding on the date of the special meeting. As of the close of business on the record date, there were [ ] shares of Mariner common stock outstanding and entitled to vote at the special meeting. Each share of Mariner common stock is entitled to one vote at the Mariner special meeting.

The presence in person or by proxy of the holders of a majority of the outstanding shares of Mariner common stock is necessary to constitute a quorum at the special meeting. The affirmative vote of the holders of a majority of the outstanding shares of Mariner common stock entitled to vote on the proposal as of the Mariner record date, either in person or represented by proxy, is necessary for the approval and adoption of the merger agreement. Approval of any proposal to adjourn the special meeting if necessary to solicit

## **Table of Contents**

additional proxies requires the affirmative vote of the holders of a majority of the shares of Mariner common stock present in person or represented by proxy at the special meeting and entitled to vote thereat.

If a Mariner stockholder fails to vote, or if a Mariner stockholder abstains, that will have the same effect as votes cast **AGAINST** the approval and adoption of the merger agreement. Abstentions and broker non-votes will have the same effect as votes cast **AGAINST** approval of any proposal to adjourn the special meeting if necessary to solicit additional proxies.

### **Apache Stockholder Approval is Not Required (See page [ ])**

Apache stockholders are not required to adopt the merger agreement or approve the merger or the issuance of shares of Apache common stock in connection with the merger.

### **Ownership of Apache After the Merger (See page [ ])**

Apache will issue approximately 17.5 million shares of Apache common stock to former Mariner stockholders pursuant to the merger. Immediately following the completion of the merger, Apache expects to have approximately 354.8 million shares of common stock outstanding. Mariner stockholders are therefore expected to hold approximately 5% of the combined company's common stock outstanding immediately after the merger. Consequently, Mariner stockholders, as a general matter, will have less influence over the management and policies of Apache than they currently exercise over the management and policies of Mariner.

### **Share Ownership of Directors and Executive Officers of Mariner (See page [ ])**

At the close of business on the record date for the special meeting ([ ], 2010), the directors and executive officers of Mariner and their affiliates beneficially owned and were entitled to vote [ ] shares of Mariner common stock, collectively representing approximately [ ]% of the shares of Mariner common stock outstanding and entitled to vote on the record date. It is expected that Mariner's directors and executive officers will vote their shares **FOR** the approval and adoption of the merger agreement, although none of them has entered into any agreement requiring them to do so.

### **Interests of the Mariner Directors and Executive Officers in the Merger (See page [ ])**

In considering the recommendation of Mariner's board of directors with respect to the merger, Mariner stockholders should be aware that the executive officers and directors of Mariner have certain interests in the merger that may be different from, or in addition to, the interests of Mariner stockholders. Mariner's board of directors was aware of these interests and considered them, among other matters, when adopting a resolution to approve the merger agreement and recommending that Mariner stockholders vote to approve and adopt the merger agreement. Upon consummation of the merger, and assuming each executive officer experiences a termination immediately thereafter that entitles him or her to the highest amount of severance payable, Mariner's six non-employee directors and 14 executive officers will receive accelerated equity awards and severance benefits with an aggregate estimated value of approximately \$85.3 million.

### **Risks Relating to the Merger (See page [ ])**

You should be aware of and carefully consider the risks relating to the merger described under Risk Factors. These risks include possible difficulties in combining the two companies, which have previously operated independently.

### **Material U.S. Federal Income Tax Consequences of the Merger (See page [ ])**

Apache and Mariner each expect the merger to qualify as a reorganization that is tax free pursuant to Section 368(a) of the Internal Revenue Code to the extent Mariner stockholders receive stock pursuant to the merger.

## **Table of Contents**

Please review carefully the information under the caption "The Merger - Material U.S. Federal Income Tax Consequences of the Merger" for a description of the material U.S. federal income tax consequences of the merger. The tax consequences to you will depend on your own situation. Please consult your tax advisors for a full understanding of the tax consequences of the merger to you.

### **Accounting Treatment (See page [ ])**

Apache will account for the merger using the acquisition method of accounting under U.S. generally accepted accounting principles, which are referred to as GAAP. The merger will be accounted for as a single line of business. Apache will record net tangible and identifiable intangible assets acquired and liabilities assumed from Mariner at their respective fair values at the date of the completion of the merger. Any excess of the purchase price, which will equal the cash consideration plus the market value, at the date of completion of the merger, of the Apache common stock issued as consideration for the merger, over the net fair value of such assets and liabilities will be recorded as goodwill.

### **Listing of Shares of Apache Common Stock; Delisting and Deregistration of Mariner Common Stock (See page [ ])**

Approval of the listing on the NYSE of the shares of Apache common stock issuable pursuant to the merger agreement, subject to official notice of issuance, is a condition to each party's obligation to complete the merger. If the merger is completed, shares of Mariner common stock will be delisted from the NYSE and deregistered under the Exchange Act. In addition to listing the shares of Apache common stock issuable pursuant to the merger agreement on the NYSE, Apache intends to list the shares issuable pursuant to the merger agreement on the NASDAQ National Market and the Chicago Stock Exchange.

### **Appraisal Rights in the Merger (See page [ ])**

If the merger is approved and adopted by the Mariner stockholders, Mariner stockholders who do not vote in favor of the approval and adoption of the merger agreement and who properly demand appraisal of their shares will be entitled to appraisal rights in connection with the merger under Section 262 of the DGCL. Mariner stockholders who wish to seek appraisal of their shares are in any case urged to seek the advice of counsel with respect to the exercise of appraisal rights.

Stockholders considering seeking appraisal should be aware that the fair value of their shares as determined pursuant to Section 262 of the DGCL could be more than, the same as or less than the value of the consideration they would receive pursuant to the merger if they did not seek appraisal of their shares.

The DGCL requirements for exercising appraisal rights are described in further detail in this proxy statement/prospectus, and the relevant section of the DGCL regarding appraisal rights is reproduced and attached as Annex C.

### **Conditions to the Merger (See page [ ])**

The following conditions must be satisfied or waived, where legally permissible, before the proposed merger can be consummated:

the approval and adoption of the merger agreement by the requisite affirmative vote of Mariner's stockholders;

the expiration or termination of the waiting period (and any extension of the waiting period) applicable to the merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is referred to in this proxy statement/prospectus as the HSR Act;

the effectiveness of the Form S-4 registration statement, of which this proxy statement/prospectus is a part, and the absence of a stop order suspending the effectiveness of the Form S-4 or proceedings for such purpose having been initiated or threatened by the SEC;

**Table of Contents**

the approval for listing on the NYSE of the shares of Apache common stock issuable to the Mariner stockholders pursuant to the merger agreement, subject to official notice of issuance;

the absence of any statute, rule or regulation prohibiting the merger, or any order or injunction of a court of competent jurisdiction preventing the consummation of the merger;

the receipt by each of Mariner and Apache of an opinion from its outside counsel to the effect that for federal income tax purposes the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and that each of Apache and Mariner will be a party to such reorganization within the meaning of Section 368(b) of the Internal Revenue Code;

the accuracy of the representations and warranties of Apache, Merger Sub and Mariner in the merger agreement, subject to certain materiality thresholds;

the performance in all material respects by each of Apache and Merger Sub, on the one hand, and Mariner, on the other hand, of its respective covenants required to be performed by it under the merger agreement at or prior to the closing date;

receipt of certificates by executive officers of each of Apache and Merger Sub, on the one hand, and Mariner, on the other hand, to the effect that the conditions described in the preceding two bullet points have been satisfied;

there not having occurred a material adverse effect on either party since the date of the merger agreement, the effects of which are continuing; and

the number of Mariner shares for which appraisal rights are properly exercised does not exceed 50% of the Mariner shares outstanding immediately prior to the merger.

On May 3, 2010, the Antitrust Division and the FTC granted early termination of the statutory waiting period under the HSR Act. Apache and Mariner cannot be certain when, or if, the other conditions to the merger will be satisfied or waived, or that the merger will be completed.

**Regulatory Approvals Required for the Merger (See page [ ])**

The merger is subject to review by the Antitrust Division of the U.S. Department of Justice, which is referred to as the Antitrust Division, and the Federal Trade Commission, which is referred to as the FTC, under the HSR Act. Under the HSR Act, Apache and Mariner are required to make premerger notification filings and to await the expiration or early termination of the statutory waiting period (and any extension of the waiting period) prior to completing the merger. Apache and Mariner each filed its required HSR notification and report form with respect to the merger on April 26, 2010, commencing the initial 30-day waiting period. On May 3, 2010, the Antitrust Division and the FTC granted early termination of the statutory waiting period under the HSR Act.

**No Solicitation and Change in Recommendation (See page [ ])**

Under the merger agreement, Mariner has agreed not to (and has agreed to cause its officers, directors, employees, agents and representatives not to), among other things, (i) initiate, solicit or knowingly encourage or knowingly facilitate any acquisition proposal, (ii) have any discussion with or provide or cause to be provided any non-public information to any person relating to an acquisition proposal, or engage or participate in any negotiations concerning



an acquisition proposal, (iii) approve, endorse or recommend any acquisition proposal or (iv) approve, endorse or recommend, or enter into an agreement to do any of the foregoing with respect to an acquisition proposal. Mariner may, however, prior to the approval and adoption of the merger agreement by its stockholders, communicate with third parties that make unsolicited acquisition proposals if its board concludes in good faith, after consultation with its financial advisors and outside legal counsel, that the acquisition proposal constitutes or is reasonably likely to lead to a transaction more favorable to its stockholders. Additionally, prior to the approval and adoption of the merger agreement by Mariner stockholders, Mariner's board of directors may under certain circumstances withdraw its recommendation that its stockholders adopt the merger agreement if it concludes in good faith, after consultation with its financial

**Table of Contents**

advisors and outside legal counsel, that withdrawal of its recommendation is necessary to comply with its fiduciary duties.

**Termination of the Merger Agreement (See page [ ])**

In general, the merger agreement may be terminated at any time prior to the effective time of the merger in the following ways:

by mutual written consent of Apache, Merger Sub and Mariner;

by either Apache or Mariner if:

the merger is not consummated on or before January 31, 2011, referred to as the outside date, provided that the terminating party has not materially breached the merger agreement in a manner that proximately caused the failure to consummate the merger on or prior to the outside date;

a court or other governmental authority issues a final, non-appealable order prohibiting the merger; or

the Mariner stockholders do not approve and adopt the merger agreement at the special meeting or any adjournment or postponement thereof.

by Apache if:

Mariner is in material breach of the merger agreement such that certain conditions set forth in the merger agreement are not capable of being satisfied and such breach is not cured prior to the earlier of 30 days after notice of such breach to Mariner and the outside date; provided that Apache is not permitted to so terminate the merger agreement if Apache or Merger Sub is then in breach of the merger agreement in any material respect; or

prior to the approval and adoption of the merger agreement by Mariner's stockholders, Mariner's board of directors changes its recommendation to vote for approval and adoption of the merger agreement.

by Mariner if:

Apache or Merger Sub is in material breach of the merger agreement such that certain conditions set forth in the merger agreement are not capable of being satisfied and such breach is not cured prior to the earlier of 30 days after notice of such breach to Apache and the outside date; provided that Mariner is not permitted to so terminate the merger agreement if it is then in breach of the merger agreement in any material respect; or

prior to the approval and adoption of the merger agreement by Mariner's stockholders, Mariner's board of directors changes its recommendation to vote for approval and adoption of the merger agreement in order to accept a superior proposal, authorizes Mariner to enter into a definitive agreement with respect to the superior proposal and Mariner pays the termination fee (described below) to Apache.

**Termination Fee (See page [ ])**

Under the merger agreement, Mariner may be required to pay to Apache a termination fee of \$67 million (less any Apache expenses previously reimbursed by Mariner) if the merger agreement is terminated under certain circumstances. In addition, the merger agreement requires each of Apache and Mariner to reimburse the other's

expenses, up to \$7.5 million, in certain circumstances when the merger agreement is terminated.

**Source of Funding for the Merger (See page [ ])**

Apache's obligation to complete the merger is not conditioned upon its obtaining financing. As of March 31, 2010, Apache had \$2.1 billion in cash. Apache expects to fund the cash portion of the merger

**Table of Contents**

consideration payable to Mariner stockholders, which is expected to equal approximately \$800 million as of June 25, 2010, with existing cash balances and commercial paper.

**Comparison of Rights of Apache Stockholders and Mariner Stockholders (See page [ ])**

As a result of the merger, the holders of Mariner common stock that receive shares of Apache common stock will become stockholders of Apache. Following the merger, these Mariner stockholders will have different rights as stockholders of Apache than as stockholders of Mariner due to the different provisions of the governing documents of Mariner and Apache.

These differences are described in more detail under Comparison of Rights of Apache Stockholders and Mariner Stockholders.

**Litigation Relating to the Merger (See page [ ])**

In connection with the merger, two stockholder lawsuits styled as class actions have been filed against Mariner and its board of directors. The lawsuits are captioned *City of Livonia Employees' Retirement System, Individually and on Behalf of All Others Similarly Situated vs. Mariner Energy, Inc, et al.* (filed April 16, 2010 in the District Court of Harris County, Texas), and *Southeastern Pennsylvania Transportation Authority, individually, and on behalf of all those similarly situated, vs. Scott D. Josey, et. al.* (filed April 21, 2010 in the Court of Chancery in the State of Delaware). The plaintiff in the Southeastern Pennsylvania Transportation Authority lawsuit filed an Amended Class Action Complaint on May 3, 2010, and also names Apache, Merger Sub and certain Mariner officers as defendants. The lawsuits generally allege that (1) Mariner's directors breached their fiduciary duties in negotiating and approving the merger and by administering a sale process that failed to maximize stockholder value and (2) Mariner, and in the case of the Southeastern Pennsylvania Transportation Authority complaint, Apache and Merger Sub, aided and abetted Mariner's directors in breaching their fiduciary duties. The lawsuits also allege that Mariner's directors and executives stand to receive substantial financial benefits if the transaction is consummated on its current terms. The plaintiffs in these lawsuits seek, among other things, to enjoin the merger and to rescind the merger agreement. Apache and Mariner believe that these lawsuits are without merit and intend to vigorously defend these lawsuits.

**Table of Contents****SELECTED HISTORICAL FINANCIAL, OPERATING AND RESERVE DATA OF APACHE**

The following table presents selected historical consolidated financial, operating and reserve data of Apache. The financial data as of, and for the years ended, December 31, 2009, 2008, 2007, 2006 and 2005 are derived from Apache's audited consolidated financial statements for those periods. The financial data as of, and for the quarterly periods ended, March 31, 2010 and 2009 are derived from Apache's unaudited consolidated financial statements for those periods. Apache's management believes that the company's interim unaudited financial statements have been prepared on a basis consistent with its audited financial statements and include all normal and recurring adjustments necessary for a fair presentation of the results for each interim period.

The information in the following table is only a summary and is not indicative of the results of future operations of Apache. You should read the following information together with Apache's Annual Report on Form 10-K for the year ended December 31, 2009, Apache's Quarterly Report on Form 10-Q for the three months ended March 31, 2010 and the other information that Apache has filed with the SEC and incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information; Incorporation by Reference."

Apache is not required to furnish pro forma financial information with respect to the merger in this proxy statement/prospectus because Mariner would not be a significant subsidiary under any of the financial conditions specified in Rule 1-02(w) of SEC Regulation S-X, substituting 20% for 10% in each of those conditions in accordance with Rule 11.01(b)(1) of SEC Regulation S-X.

	Three Months Ended		Year Ended December 31,				2005
	March 31, 2010	2009	2009	2008	2007	2006	
	(\$ in millions, except per share amounts)						
<b>Financial Data</b>							
Revenues and other	\$ 2,673	\$ 1,634	\$ 8,615	\$ 12,390	\$ 10,000	\$ 8,309	\$ 7,584
Income (loss) attributable to common stock(1)(2)	\$ 705	\$ (1,758)	\$ (292)	\$ 706	\$ 2,807	\$ 2,547	\$ 2,618
Net income (loss) per common share(1)(2)							
Basic	\$ 2.09	\$ (5.25)	\$ (0.87)	\$ 2.11	\$ 8.45	\$ 7.72	\$ 7.96
Diluted	\$ 2.08	\$ (5.25)	\$ (0.87)	\$ 2.09	\$ 8.39	\$ 7.64	\$ 7.84
Cash dividends declared per common share	\$ 0.15	\$ 0.15	\$ 0.60	\$ 0.70	\$ 0.60	\$ 0.50	\$ 0.36
Total assets	\$ 29,228	\$ 26,293	\$ 28,186	\$ 29,186	\$ 28,635	\$ 24,308	\$ 19,272
Total debt	\$ 5,064	\$ 4,912	\$ 5,068	\$ 4,922	\$ 4,227	\$ 3,822	\$ 2,192
<b>Operating Data</b>							
Average daily production:							
Crude oil (MBbls)	289	267	279	254	249	225	234
Natural gas (MMcf)	1,712	1,624	1,759	1,618	1,796	1,589	1,264
Natural gas liquids (MBbls)							