

APACHE CORP
Form PRE 14A
March 03, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

APACHE CORPORATION

(Name of registrant as specified in its charter)

(Name of person(s) filing proxy statement, if other than the registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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Dear Fellow Shareholders,

With this proxy statement, Apache celebrates 60 years of surviving and thriving in an industry known for unforgiving and unpredictable cycles. When we periodically underperform, as we have recently, we take the kinds of important strategic steps you have seen from us recently. It is steps like these that have helped us enjoy above-market returns over our history.

Our Board's mission is to represent your interests by responsibly producing sustainable value over the long haul. We are committed to listening as well as speaking and believe our engagement track record is second to none. Except for our current and former CEOs, we are all independent.

Purpose-built governance has always been our foundation. We avoid governance fashions, but evolve as conditions change. Good governance cannot prevent short-term stumbles, but it contributes to long-term sustainable performance.

As your Lead Director, I want to highlight a few of our board-focused governance features from the much longer list contained in this proxy statement.

Our robust board refreshment practices are apparent in our board composition. We have seven short-tenured directors in their 40s and 50s, and, by the time of our annual meeting, will have experienced the retirement of six longer-tenured directors over the last three years. We believe in the benefits of diversity, including diversity of tenure.

We award the majority of our director pay in company stock and require it to be held until retirement.

Finally, as of the annual meeting for which you are receiving this proxy statement, we will have an independent non-executive Chairman. Our newly appointed CEO is a long-time employee who reflects the best of succession planning.

We take seriously the trust you place in us by your purchase of Apache shares and hope the material contained in this proxy statement demonstrates that. We ask that you vote in accord with our recommendations as a signal of support for our continuing efforts.

Sincerely,

Charles J. Pitman

Lead Director

April [2], 2015

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APACHE CORPORATION

One Post Oak Central

2000 Post Oak Boulevard, Suite 100

Houston, Texas 77056-4400

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The 2015 annual meeting of shareholders of Apache Corporation, a Delaware corporation, will be held on Thursday, May 14, 2015, at 10:00 a.m. (Houston time), at the Hilton Houston Post Oak, 2001 Post Oak Boulevard, Houston, Texas, for the following purposes:

1. Election of the four directors named in the attached proxy statement to serve until the Company's annual meeting in 2018;
 2. Ratification of appointment of Ernst & Young LLP as the Company's independent auditors for fiscal year 2015;
 3. Advisory vote to approve the compensation of the Company's named executive officers;
 4. Approval of an amendment to the Company's Restated Certificate of Incorporation to eliminate the classified Board of Directors and provide for annual election of all directors;
 5. Consideration of shareholder proposal regarding proxy access, if properly presented at the annual meeting; and
 6. Transaction of any other business that may properly come before the meeting or any adjournment thereof.
- Holders of record of the Company's common stock as of the close of business on March 16, 2015, are entitled to notice of, and to vote at, the annual meeting.

It is important that your shares are represented at the meeting. We encourage you to designate the proxies named on the enclosed proxy card to vote your shares on your behalf and per your instructions. This action does not limit your right to vote in person or to attend the meeting.

By order of the Board of Directors

Houston, Texas

April [2], 2015

C. L. PEPPER
Corporate Secretary
APACHE CORPORATION

Important Notice Regarding the Availability of Proxy Materials

for the Annual Meeting of Shareholders to be held on May 14, 2015:

This proxy statement, along with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, with 2014 Summary Annual Report, are available free of charge on the Company's website at <http://www.apachecorp.com>

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PROXY STATEMENT SUMMARY

This executive summary has been provided as an overview of the information contained within this proxy statement. We encourage you to read the entire proxy statement prior to voting.

2014 BUSINESS HIGHLIGHTS

Continued transition to becoming a premier North American onshore resource E&P company through strategic divestment of material non-core assets, driving down costs, drilling more productive wells, and continuing to mature several resource plays

To facilitate this transition, divested approximately \$7 billion of non-core assets

Repurchased 21.0 million shares, reducing our share count by 5.3 percent

Liquids production for the year averaged 387 Mboe/d, with crude oil representing 83 percent of total liquids production.

North American onshore liquids production increased 17 percent, averaging 209 Mboe/d in 2014 compared to 179 Mboe/d in 2013.

CORPORATE GOVERNANCE HIGHLIGHTS

Separate chairman and CEO effective January 20, 2015

Independent non-executive chairman effective May 2, 2015

Independent lead director

Majority voting

No poison pill

Right to call a special meeting at 15 percent

Officer and director stock ownership requirements, including pay multiples and hold-until-retirement provisions

Mandatory director retirement age for directors elected after 2013

Policies against hedging, pledging, and gross ups

Clawbacks of equity awards as required by law

Double triggers for accelerated vesting of equity upon a change in control

Board adopted human rights principles and statement on indigenous peoples

Robust board review and board refreshment practices

State of the art shareholder engagement practices

BOARD NOMINEES

Below are the directors nominated for election this year. Each director will be elected for a term of three years.

Name	Age	Serving Since	Committees Served	Independent (Y/N)
George D. Lawrence	63	1996	MD&C (Chairman)	Y
John E. Lowe*	55	2013	MD&C, Stock Plan	Y
Rodman D. Patton	70	1999	Audit	Y
Charles J. Pitman**	71	2000	CG&N, Stock Plan	Y

* **Non-executive chairman effective May 2, 2015**

** **Lead director**

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2014 DIRECTOR AND EXECUTIVE COMPENSATION ACTIONS

Director Compensation

Reduced the cash portion of the annual retainer for our outside directors from \$150,000 to \$100,000; and

Increased the equity portion of the annual retainer for our outside directors from \$150,000 to \$200,000 and required that such stock be held until the director leaves the board

Named Executive Officer Compensation

Introduced a new performance share program for 2014 based on business performance results

Increased the proportion of our equity awards that are performance-based to two-thirds for the CEO and one-half for all other named executive officers (NEOs)

Redesigned the annual cash incentive bonus program to better align with corporate strategy

2014 EXECUTIVE COMPENSATION SUMMARY

Named Executive Officer	Total Compensation*
G. Steven Farris	\$10,214,172
John J. Christmann	\$5,369,116
Thomas E. Voytovich	\$5,461,924
Michael S. Bahorich	\$4,165,453
P. Anthony Lannie	\$4,119,765

* Further details on the 2014 compensation for all NEOs are included in the Summary Compensation Table.

2015 LEADERSHIP SUCCESSION HIGHLIGHTS

G. Steven Farris retired as president and CEO effective January 20, 2015, after serving the Company for over 27 years. Mr. Farris continues to serve as non-executive chairman through May 1, 2015.

John J. Christmann was appointed president and CEO effective January 20, 2015.

John E. Lowe was elected independent non-executive chairman effective May 2, 2015.

Stephen J. Riney was appointed executive vice president effective February 18, 2015, and chief financial officer effective March 3, 2015.

RATIFICATION OF AUDITORS

Although shareholder ratification is not required, the appointment of Ernst & Young LLP as the Company's independent auditors for fiscal 2015 is being submitted for ratification at the annual meeting because the Board believes doing so is a good corporate governance practice.

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ELIMINATE THE CLASSIFIED BOARD PROPOSAL

The board recommends a vote **FOR** the proposed amendment to the Company's restated certificate of incorporation to eliminate the classified board of directors to provide for the annual election of all directors.

PROXY ACCESS PROPOSAL

The Board recommends a vote **FOR** the shareholder proposal regarding proxy access.

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Information on our website is not incorporated by reference into, and does not constitute a part of, this proxy statement.

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APACHE CORPORATION

One Post Oak Central

2000 Post Oak Boulevard, Suite 100

Houston, Texas 77056-4400

April [2], 2015

PROXY STATEMENT

GENERAL

This proxy statement contains information about the 2015 annual meeting of shareholders of Apache Corporation. In this proxy statement both Apache and the Company refer to Apache Corporation. This proxy statement and the enclosed proxy card are being mailed to you by the Company's Board of Directors starting on or about April [2], 2015.

Purpose of the Annual Meeting

At the Company's annual meeting, shareholders will vote on the following matters:

Items 1 - 4: election of directors;

Item 5: ratification of appointment of Ernst & Young LLP as the Company's independent auditors;

Item 6: advisory vote to approve the compensation of the Company's named executive officers;

Item 7: approval of an amendment to the Company's Restated Certificate of Incorporation to eliminate the classified Board of Directors and provide for annual election of all directors;

Item 8: consideration of shareholder proposal regarding proxy access, if properly presented at the meeting; and

Transaction of any other business that properly comes before the meeting. As of the date of this proxy statement, the Company is not aware of any other business to come before the meeting.

There are no rights of appraisal or similar rights of dissenters arising from matters to be acted on at the meeting.

Who Can Vote

Only shareholders of record holding shares of Apache common stock at the close of business on the record date, March 16, 2015, are entitled to receive notice of the annual meeting and to vote the shares of Apache common stock

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they held on that date. The Company's stock transfer books will not be closed. A complete list of shareholders entitled to vote at the annual meeting will be available for examination by any Apache shareholder at 2000 Post Oak Boulevard, Suite 100, Houston, Texas 77056-4400, for purposes relating to the annual meeting, during normal business hours for a period of ten days before the meeting.

As of January 31, 2015, there were 376,823,368 shares of Apache common stock issued and outstanding. Holders of Apache common stock are entitled to one vote per share and are not allowed to cumulate votes in the election of directors. The enclosed proxy card shows the number of shares that you are entitled to vote.

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How to Vote

If your shares of Apache common stock are held by a broker, bank or other nominee (in street name), you will receive instructions from them on how to vote your shares. If your shares are held by a broker and you do not give the broker specific instructions on how to vote your shares, your broker may vote your shares at its discretion on routine matters to be acted upon at the annual meeting. However, your shares will not be voted on any of the non-routine matters described below. An absence of voting instructions on any non-routine matters will result in a broker non-vote.

The only routine matter to be acted upon at the annual meeting is Item 5 ratification of appointment of Ernst & Young LLP as the Company's independent auditors. All other matters to be acted upon at the annual meeting are non-routine matters and, as such, if you hold all or any portion of your shares in street name and you do not give your broker or bank specific instructions on how to vote your shares, your shares will not be voted on any of the following non-routine matters:

Items 1 - 4 the election of directors;

Item 6 advisory vote to approve the compensation of the Company's named executive officers;

Item 7 approval of an amendment to the Company's Restated Certificate of Incorporation to eliminate the classified Board of Directors and provide for annual election of all directors;

Item 8 consideration of shareholder proposal regarding proxy access, if properly presented to the meeting. If you hold shares of Apache common stock in your own name (as a shareholder of record), you may instruct the Company on how to vote your shares by:

- (1) using the internet voting site listed on the enclosed proxy card or scanning the QR code on the enclosed proxy card with your mobile device (specific directions for using the internet/mobile voting system are shown on the proxy card); or
- (2) using the toll-free telephone number listed on the enclosed proxy card (specific directions for using the telephone voting system are included on the proxy card); or

(3) marking, signing, dating, and returning the enclosed proxy card in the postage-paid envelope provided. When using internet/mobile or telephone voting, the voting systems will verify that you are a shareholder through the use of a company number for Apache and a unique control number for you. ***If you vote by internet/mobile or telephone, please do not also mail the enclosed proxy card.***

Whichever method you use to transmit your instructions, your shares of Apache common stock will be voted as you direct. If you sign and return the enclosed proxy card or otherwise designate the proxies named on the proxy card to

vote on your behalf, but do not specify how to vote your shares, they will be voted:

FOR the election of the nominees for director,

FOR the ratification of appointment of Ernst & Young LLP as the Company's independent auditors,

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FOR the advisory vote to approve the compensation of the Company's named executive officers,

FOR approval of an amendment to the Company's Restated Certificate of Incorporation to eliminate the classified Board of Directors and to provide for annual election of all directors,

FOR consideration of shareholder proposal regarding proxy access, if properly presented to the meeting, and

In accordance with the judgment of the persons voting the proxy on any other matter properly brought before the meeting, if any are properly raised at the meeting.

Voting 401(k) Savings Plan Shares

If you are an employee or former employee participating in the Apache 401(k) Savings Plan and have shares of Apache common stock credited to your plan account as of the record date, such shares are shown on the enclosed proxy card, and you have the right to direct the plan trustee regarding how to vote those shares. The trustee for the 401(k) Savings Plan is Fidelity Management Trust Company.

The trustee will vote the shares in your plan account in accordance with your instructions. If you do not send instructions (in the manner described under **How to Vote** above) or if your proxy card is not received by May 11, 2015, the shares credited to your account will be voted by the trustee in the same proportion as it votes shares for which it did receive timely instructions.

Revoking a Proxy

You may revoke a proxy before it is voted by submitting a new proxy with a later date (by internet, telephone or mail), by voting at the meeting, or by filing a written revocation with Apache's corporate secretary. Your attendance at the annual meeting alone will not automatically revoke your proxy.

Quorum

The presence at the annual meeting, in person or by proxy, of the holders of a majority of the shares of Apache common stock outstanding on the record date will constitute a quorum, permitting the business of the meeting to be conducted.

Votes Needed

Election of Directors. The affirmative vote of a majority of the votes cast at the annual meeting is required for the election of directors. You may vote FOR or AGAINST any or all director nominees or you may ABSTAIN as to one or more director nominees. As set forth in our bylaws, only votes FOR or AGAINST the election of a director nominee will be counted. Abstentions and broker non-votes count for quorum purposes, but not for purposes of the election of directors. A vote to ABSTAIN is not treated as a vote FOR or AGAINST and thus, will have no effect on the outcome of the vote.

Ratification of the Appointment of Independent Auditors. The affirmative vote of a majority of the votes cast at the annual meeting is required for ratification of appointment of Ernst & Young LLP as the Company's independent auditors. You may vote FOR or AGAINST the ratification of appointment of Ernst & Young LLP as the Company's

independent auditors or you may ABSTAIN. Votes cast FOR or AGAINST and ABSTENTIONS with respect to this matter will be counted as shares entitled to vote on the matter. Broker non-votes will be counted as shares entitled to vote on this matter. A vote to ABSTAIN will have the effect of a vote AGAINST ratification of the appointment of our independent registered public accounting firm.

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Advisory Vote to Approve the Compensation of Named Executive Officers. You may vote FOR or AGAINST the advisory vote to approve the compensation of our named executive officers or you may ABSTAIN. A majority of the shares of the Company's common stock present in person or represented by proxy at our annual meeting and entitled to vote must be voted FOR approval of the advisory proposal in order for it to pass. Votes cast FOR or AGAINST and ABSTENTIONS with respect to the proposal will be counted as shares entitled to vote on the proposal. Broker non-votes will not be counted as shares entitled to vote on the proposal. A vote to ABSTAIN will have the effect of a vote AGAINST the proposal.

Approval of an Amendment to our Restated Certificate of Incorporation. Four-fifths (80 percent) of the outstanding shares of the Company's common stock must be voted FOR the proposal to amend the Company's Restated Certificate of Incorporation to eliminate the classified Board of Directors and provide for annual election of all directors in order for it to pass. You may vote FOR or AGAINST the proposal, or you may ABSTAIN. Broker non-votes will be counted as shares entitled to vote on this matter. A vote to ABSTAIN or a broker non-vote will have the effect of a vote AGAINST the proposal.

Consideration of Shareholder Proposal Regarding Proxy Access. You may vote FOR or AGAINST the shareholder proposal regarding proxy access or you may ABSTAIN. A majority of the shares of the Company's common stock present in person or represented by proxy at our annual meeting and entitled to vote must be voted FOR approval of the proposal in order for it to pass. Votes cast FOR or AGAINST and ABSTENTIONS with respect to the proposal will be counted as shares entitled to vote on the proposal. Broker non-votes will not be counted as shares entitled to vote on the proposal. A vote to ABSTAIN will have the effect of a vote AGAINST the proposal.

Other Business. The affirmative vote of a majority of the votes cast at the annual meeting is required for approval of any other business which may properly come before the meeting or any adjournment thereof. Only votes FOR or AGAINST approval of any other business will be counted. Abstentions and broker non-votes count for quorum purposes, but not for the voting on the approval of such other business.

Who Counts the Votes

Representatives of Wells Fargo Bank, N.A. will tabulate the votes and act as inspectors of the election.

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ELECTION OF DIRECTORS

(ITEM NOS. 1 - 4 ON PROXY CARD)

The Company's Restated Certificate of Incorporation provides that, as near as numerically possible, one-third of the directors shall be elected at each annual meeting of shareholders. Unless directors earlier resign or are removed, their terms are for three years, and continue thereafter until their successors are elected and qualify as directors.

The current terms of directors George D. Lawrence, John E. Lowe, Rodman D. Patton, and Charles J. Pitman will expire at the annual meeting. Each of Mr. Lawrence, Mr. Lowe, Mr. Patton, and Mr. Pitman has been recommended by the Company's Corporate Governance and Nominating Committee and nominated by the Board of Directors for election by the shareholders to an additional three-year term. If elected, Mr. Lawrence, Mr. Lowe, Mr. Patton and Mr. Pitman will serve beginning upon their election until the annual meeting of shareholders in 2018.

G. Steven Farris became non-executive chairman of the Board of Directors on January 20, 2015. Mr. Farris, who has served as a director since 1994, will retire from the Board of Directors effective May 1, 2015.

Unless otherwise instructed, all proxies will be voted in favor of these nominees. If one or more of the nominees is unwilling or unable to serve, the proxies will be voted only for the remaining named nominees. Proxies cannot be voted for more than four nominees. The Board of Directors knows of no nominee for director who is unwilling or unable to serve.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE DIRECTORS.

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NOMINEES FOR ELECTION AS DIRECTORS

Biographical information, including principal occupation and business experience during the last five years, of each nominee for director, is set forth below. Unless otherwise stated, the principal occupation of each nominee has been the same for the past five years. In addition, each nominee's experience, qualifications, attributes or skills to serve on our Board are set forth below.

GEORGE D. LAWRENCE

Mr. Lawrence, 64, a private investor, joined the Company's Board of Directors in May 1996. Mr. Lawrence was president, chief executive officer, and a director of The Phoenix Resource Companies, Inc., a public oil and gas company, from 1990 until May 1996, when Phoenix merged with Apache. At Apache, he is chairman of the Management Development and Compensation Committee.

Skills and Qualifications:

Mr. Lawrence began his oil and gas career with the predecessor to The Phoenix Resource Companies, Inc. in 1985, holding management positions with increasing responsibility, culminating in his serving as president, chief executive officer, and a director of Phoenix from 1990 until 1996, when the company merged with Apache. During his tenure as chief executive officer of Phoenix, Mr. Lawrence gained valuable corporate leadership experience in all aspects of business, including finance, securities, operations, strategy, and risk. At Phoenix and its predecessor, Mr. Lawrence was extensively involved in international operations that were spread over several continents, and he was especially instrumental in leading Phoenix's operations in Egypt, an area that remains important to Apache's operations.

JOHN E. LOWE

Mr. Lowe, 55, joined the Company's Board of Directors in July 2013, and has been elected to become non-executive chairman as of May 2, 2015. Mr. Lowe was assistant to the chief executive officer of ConocoPhillips from 2008 to 2012, and held a series of executive positions with ConocoPhillips, including executive vice president, exploration and production from 2007 to 2008; executive vice president, Commercial from 2006 to 2007; and executive vice president, planning, strategy and corporate affairs from 2002 to 2006. He is

a former board member of Chevron Phillips Chemical Co. LLC, DCP Midstream LLC, and DCP Midstream GP, LLC, the general partner of DCP Midstream Partners LP. Mr. Lowe is a member of the board of directors for Phillips 66, Houston, Texas, and Agrium Inc., Calgary, Alberta, and a senior executive advisor to Tudor, Pickering, Holt & Co. At Apache, Mr. Lowe is a member of the Management Development and Compensation Committee and a member of the Stock Plan Committee.

Skills and Qualifications:

Mr. Lowe enjoyed a 30-year career with Phillips Petroleum Company and ConocoPhillips, serving in positions of increasing responsibility during that time. Most recently, he served as assistant to the CEO of ConocoPhillips, a position he held from 2008 until Phillips 66 was spun-off from ConocoPhillips in 2012. Previously he held a series of executive positions in the exploration and production, commercial, and planning areas of ConocoPhillips. Mr. Lowe is a director at Phillips 66, special executive advisor to Tudor, Pickering, Holt & Co., and serves on the board of Agrium, Inc. Through these positions and his career in the oil and gas industry, Mr. Lowe has gained valuable experience in identifying, assessing, and minimizing risk that can affect large oil and gas companies.

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RODMAN D. PATTON

Mr. Patton, 71, joined the Company's Board of Directors in December 1999. Mr. Patton has over 30 years of experience in oil and gas investment banking and corporate finance activity, including serving as managing director in the Merrill Lynch Energy Group from 1993 until April 1999. Prior to joining Merrill Lynch, he was with The First Boston Corporation (later Credit Suisse First Boston) and Eastman Dillon, Union Securities (later Blyth Eastman Dillon). Mr. Patton is the lead independent director of NuStar GP, LLC (formerly Valero GP, LLC), San Antonio, Texas, and is chairman of its audit committee and a member of its compensation committee. NuStar GP LLC is the general partner of NuStar Energy L.P. (formerly Valero L.P.), owner and operator of crude oil and refined products pipeline, terminalling, and storage assets. At Apache, Mr. Patton is a member of the Audit Committee.

Skills and Qualifications:

Prior to joining Apache's Board of Directors, for over 25 years, Mr. Patton held various executive positions in the oil and gas investment banking industry. As a managing director at Merrill Lynch, First Boston (later Credit Suisse) and other investment banks, Mr. Patton gained extensive experience advising oil and gas companies on capital structure, strategy, and direction. He also gained valuable experience in the assessment and management of risk faced by oil and gas companies. As a former investment banker and as chairman of NuStar GP's audit committee, Mr. Patton also brings to the Board extensive financial reporting expertise.

CHARLES J. PITMAN

Mr. Pitman, 72, joined the Company's Board of Directors in May 2000. Mr. Pitman served as a non-executive director and chairman of Urals Energy Public Company Limited, an oil exploration and production company operating in Russia, from September 2005 until January 2009, chairman of the board of First Calgary Petroleum Ltd., an oil and gas exploration company engaged in exploration and development activities in Algeria, from June 2007 to March 2008, and was sole member of Shaker Mountain Energy Associates LLC from September 1999 to November 2007. He retired from BP Amoco plc in late 1999, having served as regional president - Middle East/Caspian/Egypt/India. Prior to the merger of British Petroleum and Amoco Corporation in 1998, Mr. Pitman held a variety of executive positions at Amoco. At Apache, Mr. Pitman serves as lead director and is a member of the Corporate Governance and Nominating Committee and the Stock Plan Committee.

Skills and Qualifications:

Having served in executive and director capacities at numerous oil and gas companies, Mr. Pitman has gained invaluable experience in and knowledge of the oil and gas industry. During his 24-year career at Amoco Corporation and BP Amoco plc, Mr. Pitman served in a variety of leadership positions in the United States and multiple international locations, principally in the Middle East. Notably, Mr. Pitman served as president of Amoco Egypt Oil Company from 1992 to 1996, president of Amoco Eurasia Petroleum Company from 1997 to 1998, and regional president BP Amoco plc Middle East/Caspian/Egypt/India from December 1998 until his retirement in 1999. Most recently, Mr. Pitman has utilized his considerable experience in international oil and gas by participating in oil and gas ventures in Russia and Algeria. Prior to joining Amoco, Mr. Pitman served in the United States Department of State as a foreign service officer and attorney-adviser. Mr. Pitman's vast experience in international oil and gas and the knowledge and relationships he built while serving in the U.S. Department of State provide valuable insight into Apache's operations, both domestic and abroad.

Table of Contents**CONTINUING DIRECTORS**

Biographical information, including principal occupation and business experience during the last five years, for each continuing member of the Board of Directors whose term is not expiring at the 2015 annual meeting, is set forth below. Unless otherwise stated, the principal occupation of each director has been the same for the past five years. In addition, each director's experience, qualifications, attributes or skills to serve on our Board are set forth below.

	Term Expires 2016
<p>ANNELL R. BAY</p> <p>Ms. Bay, 59, joined the Company's Board of Directors in May 2014. Ms. Bay served as vice president, Global Exploration of Marathon Oil Corporation from July 2011 to April 2014, having previously been senior vice president, Exploration since June 2008. Prior to joining Marathon Oil, Ms. Bay was vice president, Americas Exploration of Shell Exploration and Production Company since August 2004. Prior to joining Shell, she was vice president, Worldwide Exploration, and vice president, North America Exploration, of Kerr-McGee Oil and Gas Corporation, and was with Oryx Energy prior to the merger with Kerr-McGee. Ms. Bay serves on the advisory boards for the Jackson School of Geology at the University of Texas at Austin, the American Association of Petroleum Geology, and the Independent Petroleum Association of America Education Center. At Apache, she is a member of the Corporate Governance and Nominating Committee.</p>	

Skills and Qualifications:

With over 30 years of executive experience in the oil and gas industry, Ms. Bay brings a wealth of oil and gas exploration experience to our Board. She has served in various executive leadership roles throughout her career in the global energy industry, which brings invaluable insight to our Board as we continue our transition to a North American onshore resource exploration and production (E&P) company. Ms. Bay also brings civic and charitable experience as she serves on the advisory boards for the Jackson School of Geology at the University of Texas at Austin, the American Association of Petroleum Geology, and the Independent Petroleum Association of America Education Center. Her valuable executive experience, coupled with her continued commitment to fostering education and furthering research in the geological sciences, brings a unique perspective to the Board.

<p>JOHN J. CHRISTMANN, IV</p> <p>Mr. Christmann, 48, was appointed the Company's chief executive officer and president, and joined the Company's Board of Directors, effective January 20, 2015. He previously served as the Company's executive vice president and chief operating officer, North America, since January 1, 2014, region vice president, Permian Region, from January 2010 through December 2013, vice president, Business Development, from January 2004 through December 2009, and production manager for the Gulf Coast region from April through December 2003. Prior to that, Mr. Christmann held various positions of increasing responsibility in the business development area since joining Apache in 1997. Previously, he was employed by Vastar Resources/ARCO Oil and Gas Company in business development,</p>	2016
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crude oil marketing, and various production, operational and reservoir engineering assignments.

Skills and Qualifications:

With over 25 years in the oil and gas industry, including over 17 years at Apache, Mr. Christmann understands what it takes to manage and operate a large-scale oil and gas exploration company from the ground up. Since joining Apache in 1997, Mr. Christmann has held positions of increasing responsibility, culminating in his appointment as chief executive officer and president of Apache in January 2015. His experience in the oil and gas industry coupled with his well-developed knowledge and understanding of Apache's assets and operations provide him with valuable insight not only into the oil and gas industry, but also the unique day-to-day operations of Apache.

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	Term Expires
A. D. FRAZIER, JR.	2017
<p>Mr. Frazier, 70, joined the Company's Board of Directors in 1997. He has served as president of Georgia Oak Partners, a private equity investment firm, since September 2011, having previously been a partner in Affiance, Inc., a Georgia based bank consulting group. In July 2010, Mr. Frazier was appointed chairman of the Special Council for Tax Reform and Fairness to Georgians, established by the Georgia state legislature to examine the state's tax code. He served as chairman and chief executive officer of Danka Business Systems PLC, St. Petersburg, Florida, from March 2006 until its sale in July 2008, and was of Counsel with the law firm of Balch & Bingham LLP, Atlanta, Georgia, from January 2005 to March 2006. From October 2004 until its sale in January 2007, he was a director and chairman of the board of Gold Kist, Inc., Atlanta, Georgia, an integrated chicken production, processing, and marketing company. At Apache, Mr. Frazier is a member of the Management Development and Compensation Committee and chairman of the Stock Plan Committee.</p>	

Skills and Qualifications:

In addition to the executive positions noted in his biographical information above, Mr. Frazier spent a large part of his career as an executive in the investment banking industry. During his investment banking career he gained wide ranging experience working with energy companies, which provided him with an intimate knowledge of the oil and gas industry. He also served as the chief operating officer of the Atlanta Olympic Games Committee from 1991 to October 1996, and senior advisor to The Dilenschneider Group, Inc., a New York-based public relations consulting company, during 2011. During his career, Mr. Frazier has been responsible for the development, management, and operation of a diverse group of businesses and organizations. Through these executive and director positions, Mr. Frazier gathered extensive experience in identifying, analyzing, and managing risk across a wide range of industries.

CHANSOO JOUNG**2016**

Mr. Joungh, 54, joined the Company's Board of Directors in February 2011. Mr. Joungh serves as a consultant at Warburg Pincus LLC, a firm at which he was a partner from 2005 to 2010. Prior to joining Warburg Pincus, Mr. Joungh was co-head, then head, of the Americas Natural Resources Group in the investment banking division of Goldman Sachs & Co. from 1999 to 2004, and he served as a corporate finance banker in the Natural Resources Group from 1994 to 1999. While in the Natural Resources Group, he was promoted to managing director in 1996 and partner in 1998. Mr. Joungh founded and led Goldman Sachs' London-based European Energy Group in investment banking from 1992 to 1994. He began his career with Goldman Sachs in 1987 in the corporate finance department and also worked in the mergers and acquisitions department until 1990. Mr. Joungh served as a director of Targa Resources Corp. and Targa Resources Partners, LP from 2007 to February 2011. At Apache, he is chairman of the Audit Committee and a member of the Corporate Governance and Nominating Committee.

Skills and Qualifications:

Mr. Joung has spent almost his entire career in the finance industry working with energy companies. Through his experiences in private equity and as an investment banker, Mr. Joung gained significant experience with energy companies, the energy industry, and energy-related capital markets activity, which enhance his contributions to the Board. Those experiences have also given Mr. Joung the ability to identify, assess, and manage risk that can affect a large energy company like Apache.

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	Term Expires
WILLIAM C. MONTGOMERY	2016
<p>Mr. Montgomery, 53, joined Apache's Board of Directors in September 2011. Since July 2011, Mr. Montgomery has served as a managing director of Quantum Energy Partners, a private equity firm that focuses on investments in the energy and power industries, and is a member of Quantum's executive and investment committees. Prior to joining Quantum, Mr. Montgomery was a partner in the investment banking division of Goldman, Sachs & Co. from October 2002 to April 2011, where he headed the firm's Americas Natural Resources Group as well as its Houston office. During his 22 years as an investment banker, Mr. Montgomery focused globally on large cap energy companies primarily in the upstream, integrated, and oil service sectors. At Apache, Mr. Montgomery is chairman of the Corporate Governance and Nominating Committee and a member of the Management Development and Compensation Committee.</p>	

Skills and Qualifications:

Mr. Montgomery has spent almost his entire career working in the finance industry focusing on large cap energy companies. He currently serves as a managing director at Quantum Energy Partners where he provides advice on new and existing investments in the energy and power industries. At Quantum, his duties include membership on the executive and investment committees, which set the firm's strategy and originate and oversee investments in the upstream, midstream, and oilfield service sectors of the oil and gas industry. Previously, as a partner at Goldman, Sachs & Co. for over eight years, he headed the Americas Natural Resources Group and was a member of the Investment Banking Services Leadership Group. Mr. Montgomery's contributions to the Board are aided by the knowledge and experience he gains from his current role at Quantum Energy Partners, which involves broad and deep exposure to key issues impacting the upstream, midstream, and oil services sectors. His contributions to the Board are enhanced by his background as an investment banker, where he gained significant experience with the energy industry and energy-related capital markets. Apache also benefits from the extensive relationships that Mr. Montgomery has formed throughout his 23-year career serving various global energy companies.

AMY H. NELSON**2017**

Ms. Nelson, 45, joined Apache's Board of Directors in February 2014. Ms. Nelson is the president of Greenridge Advisors, LLC, an energy services and equipment consulting firm focused on the development, execution and financing of growth strategies, that she founded in 2007. Prior to founding Greenridge, she served as a vice president of SCF Partners, a private equity firm from 2000 to 2007, and she worked for Amoco Production Company in planning and engineering roles from 1992 to 1998. Since 2009, Ms. Nelson has been an adjunct professor of management at Rice University's Jesse H. Jones Graduate School of Business. At Apache, Ms. Nelson is a member of the Audit Committee.

Skills and Qualifications:

Ms. Nelson has devoted her entire 22-year career to serving companies in the oil and gas industry. Ms. Nelson is the founder and president of Greenridge Advisors, LLC, an energy services and equipment consulting firm, where her consulting practice focuses on the development, execution, and financing of growth strategies for her oil and gas industry clients. She advises her clients on strategy development, acquisition evaluation, and infrastructure development. Prior to founding Greenridge, Ms. Nelson served as vice president of a private equity firm, SCF Partners, where she focused on investment strategy, investment execution, and portfolio company management. Previously, she worked at Amoco Production Company in various roles, including as planning coordinator, project manager, and as an engineer. Her various roles in the oil and gas industry have provided Ms. Nelson with valuable experience in the assessment and management of risk faced by oil and gas companies.

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	Term Expires
PETER A. RAGAUSS	2017
<p>Mr. Ragauss, 57, joined Apache Corporation's board of directors in December 2014. Mr. Ragauss retired from Baker Hughes in October 2014, after eight years as senior vice president and chief financial officer. Prior to joining Baker Hughes, he was controller, Refining and Marketing, for BP Plc from 2003 to 2006; chief executive officer for Air BP from 2000 to 2003; and assistant to group chief executive for BP Amoco from 1998 to 2000. Mr. Ragauss was vice president of Finance and Portfolio Management for Amoco Energy International when Amoco Corporation merged with BP. From 1996 to 1998, he served as vice president of Finance for El Paso Energy International and held positions of increasing responsibility at Tenneco, Inc., from 1993 to 1996, and Kidder, Peabody & Co. Incorporated, from 1987 to 1993. At Apache, he is a member of the Audit Committee.</p>	

Skills and Qualifications:

Having served in various financial executive positions at a number of oil and gas companies, Mr. Ragauss brings a wealth of accounting and financial experience to our Board, as well as executive experience, also having previously served for three years as a chief executive officer of Air BP. Mr. Ragauss has held various senior financial executive positions in the energy industry having previously served in the roles of chief financial officer, controller, and vice president finance in his career. His various executive and financial roles in the oil and gas industry have provided him with valuable experience in understanding, and a unique insight in approaching, the financial needs of large-scale oil and gas companies.

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DIRECTOR INDEPENDENCE

During 2014 and the first two months of 2015, the Board of Directors evaluated all business and charitable relationships between the Company and the Company's non-employee directors (all directors other than Mr. Farris and Mr. Christmann) and all other relevant facts and circumstances. As a result of the evaluation, the Board of Directors determined, as required by the Company's Governance Principles, that each non-employee director is an independent director as defined by the standards for director independence established by applicable laws, rules, and listing standards including, without limitation, the standards for independent directors established by The New York Stock Exchange, Inc. (NYSE), The NASDAQ National Market (NASDAQ), and the Securities