

AMENDED AND RESTATED CHARTER OF THE AUDIT COMMITTEE OF APACHE CORPORATION

Purposes of the Audit Committee

The purposes of the Audit Committee (the “Committee”) are to assist the board of directors with the oversight of (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the independent auditors’ qualifications and independence (iv) the performance of the Company’s internal audit function and independent auditors and (v) the accounting and financial reporting processes of the Company and audits of the Company’s financial statements. The Committee shall also prepare any and all reports required to be prepared and/or disclosed by the Committee pursuant to the rules of the Securities and Exchange Commission (the “SEC”), the listing standards of any exchange upon which the Company’s securities are listed for trading, or any other applicable laws or regulations.

The function of the Committee is oversight. The management of the Company is responsible for the preparation, presentation, and integrity of the Company’s financial statements. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide compliance with accounting standards and applicable laws and regulations. The independent auditors for the Company are accountable to the board of directors, as representatives of the stockholders; however, the Committee has the sole authority and responsibility to retain and terminate the Company’s independent auditors. The independent auditors are responsible for planning and carrying out a proper audit of the company’s annual financial statements, review of the company’s quarterly financial statements prior to the filing of each quarterly report on Form 10-Q, and other procedures. In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company and are not, and do not represent themselves to be, accountants or auditors by profession. As such, it is not the duty or responsibility of the Committee or its members to conduct “field work” or other types of auditing or accounting reviews or procedures.

Duties and Responsibilities of the Audit Committee

The following are the duties and responsibilities of the Committee:

Independent Auditors

1. The sole authority to appoint, compensate, retain, oversee and terminate the independent auditors.
2. The sole authority to pre-approve all terms of and fees for audit services, audit-related services, tax services, and other services to be performed for the Company by the independent auditors, subject to *de minimus* exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit.
3. Ensure that the independent auditors prepare and deliver annually a formal written statement (an “Auditors’ Statement”) describing: the auditors’ internal quality-control procedures; any material issues raised by the most recent internal quality-

control review or peer review of the auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with any such issues; and (to assess the auditors' independence) all relationships between the independent auditors and the Company, including each non-audit service provided to the Company and at least the matters set forth in Independence Standards Board No. 1. The Committee shall discuss with the independent auditors any relationships or services disclosed in the Auditors' Statement that may impact the quality of audit services or the objectivity and independence of the Company's independent auditors;

4. Ensure that the independent auditors shall submit to the Company annually a formal written statement of the fees billed for each of the following categories of services rendered by the independent auditors: (i) audit services, including the annual financial statement audit (including required quarterly reviews), subsidiary audits, equity investment audits, and other procedures required to be performed by the independent auditors to be able to form an opinion on the Company's consolidated financial statements; (ii) audit related services, which include assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements or that are traditionally performed by the independent auditors, but are not necessarily required by statutory or regulatory audit mandates; (iii) tax services for the Company, such as tax compliance, tax planning, and tax advice; and (iv) all other services rendered by the independent auditors for the most recent fiscal year, in the aggregate and by each category of service.
5. Review the independent auditors' audit plan prior to the commencement of the audit and discuss audit scope, staffing, locations, reliance upon management, and internal audit and general audit approach.
6. Review and evaluate the qualifications, performance, and independence of the independent auditors, including an evaluation of the lead partner of the independent auditors and an evaluation of whether the independent auditors' quality controls are adequate and whether the provision of permitted non-audit services is compatible with maintaining the auditors' independence. The Committee's evaluation of the independence of the independent auditors shall be made with respect to applicable standards of independence set forth in any applicable laws, regulations, or listing standards. The Committee shall consider the opinions of management and the internal auditing department in its evaluation.
7. Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Consider whether, in order to assure continuing auditor independence, there should be a change of the audit firm itself.
8. Receive and act upon any report from the independent auditors regarding internal control deficiencies and any response from management thereto.

Internal Auditing Department

9. Review and approve the internal audit function of the Company, including the proposed audit plans for the upcoming year.
10. Review the budget, any changes in plan, activities, or organizational structure, and qualifications of the internal audit department, as needed.
11. Review the appointment and replacement of the head of the internal auditing department.
12. Review significant reports prepared by the internal audit department, together with management's response and follow-up to these reports.

Financial Reporting Principles and Policies; Internal Audit Controls and Procedures

13. Advise management, the internal auditing department, and the independent auditors that they are expected to provide to the Committee a timely analysis of significant financial reporting issues and practices.
14. Meet separately and on a periodic basis with management, the internal audit department, and the independent auditors.
15. Review and discuss quarterly reports from the independent auditors on: (i) all critical accounting policies and practices to be used; (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and (iii) other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
16. Consider any reports or communications (and management's and/or the internal audit department's responses thereto) submitted to the Committee by the independent auditors required by or referred to in SAS 61 (as codified by AU Section 380), as may be modified or supplemented.
17. Meet with management, the independent auditors and, if appropriate, the head of the internal auditing department to do the following:
 - (a) discuss the scope of the annual audit;
 - (b) discuss any significant matters arising from any audit, including any audit problems or difficulties;
 - (c) discuss any audit problems or difficulties the independent auditors encountered in the course of the audit, including any restriction on their

activities or access to requested information and any significant disagreements with management, and management's responses thereto;

- (d) review and discuss the Company's Form 10-Q, including disclosures made in the management's discussion and analysis, as well as the results of the independent auditors' review of the quarterly financial reports;
 - (e) review and discuss the Company's annual audited financial statements and the independent auditors' report thereon, including disclosures made in management's discussion and analysis, contained in the Company's Form 10-K and annual report to stockholders prior to the filing or distribution thereof, and recommend to the Board of Directors whether the audited financial statements should be included in the Company's Form 10-K;
 - (f) review the form of opinion the independent auditors propose to render to the board of directors and stockholders;
 - (g) discuss, as appropriate: (i) any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (ii) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;
 - (h) discuss with the Company's Chief Executive Officer and Chief Financial Officer the conclusions and disclosures made by them as a result of their certification process for the Form 10-K and Forms 10-Q; and
 - (i) discuss and consider the integrity of the Company's financial reporting guidelines, policies, and controls governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk, and discuss the Company's major financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the independent auditors and the internal audit department together with management's responses thereto.
18. Discuss earnings press releases and financial information and earnings guidance provided and the types of presentations made to analysts and rating agencies.
19. Establish clear hiring policies for employees or former employees of the independent auditors.

20. Establish, and update as necessary, a predetermined arrangement with the independent auditors' providing that they will notify and advise the Committee, prior to filing Forms 10-Q, of any matters identified through procedures for interim quarterly financial statements pursuant to SAS 71, as revised.
21. Review management's analysis of significant financial reporting issues and practices.

Compliance Oversight

22. Assist the board of directors with oversight of the Company's compliance with legal and regulatory requirements.
23. Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
24. Obtain from the independent auditors assurance that the audit was conducted in a manner consistent with Section 10A of the Securities Exchange Act of 1934, as amended, which sets forth certain procedures to be followed in any audit of financial statements required under the Securities Exchange Act of 1934.

Reporting and Recommendations

25. Review and reassess the adequacy of the Committee's charter annually.
26. Prepare and report to the board of directors (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities, and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the board of directors may take the form of an oral report by the chairperson of the Committee or any other member of this Committee designated by the Committee to make this report.

Member Qualifications and Appointment

The Committee shall be composed of at least three (3) directors who shall satisfy the following criteria:

- (a) Each member of the Committee shall be "independent" under the criteria set by any applicable law, regulation, and/or listing standard.
- (b) Each Committee member shall be "financially literate," as defined by applicable law, regulation, and/or listing standard.
- (c) No director may serve as a member of the Committee if such director serves on the audit committees of more than two other public companies unless the board of directors determines that such simultaneous service would not impair the ability of such director to

effectively serve on the Committee, and discloses this determination in the company's annual proxy statement.

(d) No director shall have participated in the preparation of the financial statements of the Company or any subsidiary of the Company at any time during the previous three years.

The Company shall endeavor to ensure that at least one member of the Committee shall be a "financial expert" as defined by the SEC. Each of the members of the Committee shall be elected for a one-year term. The election of members of the Committee shall be held each year at the first meeting of the Board of Directors following the annual meeting of stockholders. Should a member of the Committee, for any reason, be unable to serve for the term to which he or she was elected, the vacancy may be filled by a majority vote of the Board of Directors at its next meeting.

Any member of the Committee may be removed by the board of directors at any time, with or without cause.

Chairman and Secretary of the Committee

The chairman of the Committee shall be appointed by the board of directors for a one-year term coinciding with the chairman's term as a member of the Committee. The corporate secretary of the Company shall act as secretary of meetings of the Committee, unless a different secretary shall be elected or appointed by the Committee.

Delegation

The Committee may, in its discretion, if allowed by applicable laws or regulations, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee composed of at least two members. The Committee also hereby delegates to the chairman of the Committee the authority to pre-approve audit and non-audit services to be performed by the Company's independent auditors as provided for in pre-approval policies adopted from time to time by the Committee.

Meetings

The Committee shall meet once each fiscal quarter, or more frequently if circumstances dictate, to discuss with management the annual audited financial statements and quarterly financial statements, as applicable. The Committee should meet separately periodically with management, the director of the internal auditing department, and the independent auditors to discuss any matters that the Committee or any of these persons or firms believe should be discussed privately. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other. The Committee shall maintain minutes or other records of meetings of the Committee.

Resources and Authority of the Audit Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate. The Committee may be vested with other specific powers and authority by resolution of the board of directors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to the independent auditors for the purpose of rendering or issuing an audit report, (ii) compensation to any advisors employed by the Committee, and (iii) ordinary administrative expenses that are necessary or appropriate for carrying out the duties of the Committee.

Annual Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee. The Committee shall conduct such evaluations and review in such manner as it deems appropriate.

Disclosure of Charter

This Charter shall be made available on the Company's website at www.apachecorp.com.

Amendment

Any amendment or other modification of this charter shall be made and approved by the board of directors.

02/05/2004