



Alternate Paths 1959-1973

Government regulation of the oil and gas business hampered Apache's ability to grow at the aggressive pace it had set for itself.

Apache's decisive managers applied what they had learned about tax shelters in the oil and gas industry

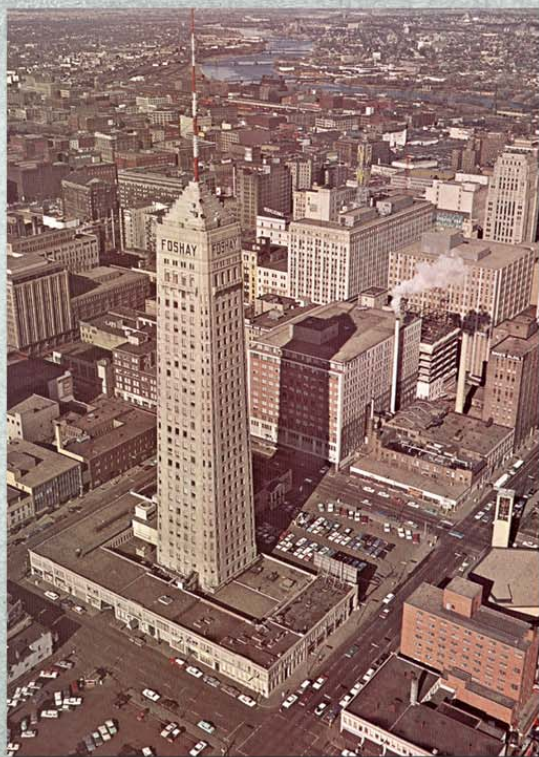


— as well as their ability to make capital work for investors and shareholders — to expand into real estate, mutual funds, telephones, steel, plastics, precision engineering, agriculture, broadcasting, retail auto parts and public utilities. Non-oil and gas investments grew to supply more than 90 percent of the company's revenues. Apache's growth during this era was reflected in its listing on the New York Stock Exchange in 1969 — achieving a long-term objective of the founders.

The Arab oil embargo in 1973 changed the way the world viewed oil, its sources of supply, and its cost. It also convinced Apache's management that oil and gas could finally support long-term growth and profitability; with its original business resurgent, Apache's period of aggressive diversification ended.



In 1967, Apache drilled the Fagerness No. 1 in Wyoming's Powder River Basin. Flowing over 1,000 barrels of oil per day, the discovery put Apache on the map of independent oil and gas companies.



The Foshay Tower, a Minneapolis landmark and the dominant feature of the city's skyline for nearly half a century, served as Apache's corporate headquarters from 1962 to 1984. It was one of the first buildings purchased by Apache Realty Corporation in the early stages of Apache's diversification.

One Apache subsidiary developed the "Apachecan," a seamless aerosol container, for industrial and consumer use.



Chief Auto Supply was a chain of retail outlets for the do-it-yourself auto repair market in Los Angeles. Purchased in 1970 for \$2 million and sold in 1978 for \$35 million, it was one of Apache's most successful subsidiaries.



Apache subsidiary Whiting Door manufactured roll-up truck doors.

In 1970, Apache acquired California's S&J Ranch, which produced quality citrus fruit sold under the Sunkist label as well as figs, pistachios, almonds and olives.



Midwest Walnut Company manufactured hardwood gunstocks and furniture components.

BENCHMARKS

	January 1959	December 1973
Market Value	\$10,139,898	\$45,361,535
Assets	\$2,350,022	\$150,433,785
Earnings	\$241,717	\$6,912,855
Shareholders	476	10,619
Reserves (Mboe)	1,912	21,042
Employees	70	3,600

