

HESS CORPORATION

1185 Avenue of the Americas
New York, NY 10036

JOHN P. RIELLY
Senior Vice President
and Chief Financial Officer
(212) 536-8230
(212) 536-8502 FAX

September 28, 2011

J. Gordan Seymour
Secretary
PCAOB
1666 K Street N.W.
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 34

Dear Mr. Seymour:

Hess Corporation (“Hess” or “the Corporation”) appreciates the opportunity to comment on the Concept Release on Possible Revisions to PCAOB Standards Related to Reports on Audited Financial Statements (“Concept Release”). Hess is a global integrated energy company primarily engaged in the exploration for and production of crude oil and natural gas, the manufacturing of refined petroleum products and the purchasing, trading and marketing of refined petroleum products, natural gas and electricity. The Corporation is a registrant with the U.S. Securities and Exchange Commission and is classified as a large accelerated filer.

The Concept release presents four possible alternatives for increased auditing and disclosure responsibilities by the auditor and recommends changes to the auditor’s report. The concept release proposals are grouped into the following four broad categories which are not intended to be mutually exclusive.

- Auditor’s discussion and analysis,
- Expanded use of emphasis paragraphs,
- Auditor assurance on other information outside of the financial statements, and
- Clarification of language in the standard auditor’s report.

The Corporation’s comments on the proposals in the Concept Release below were primarily based on our views of whether the benefits of the proposals exceed the likely increase in costs, whether the proposed auditor requirements would enhance a reader’s understanding of a registrant’s underlying accounting and disclosures and how the proposed requirements might interplay with governance procedures already in place under the direction of the audit committee.

Auditor's discussion and analysis ("AD&A")

The concept of the AD&A would be to provide a supplemental narrative report in which the auditor would have the ability to discuss:

- their views regarding the audit process (audit risks and procedures);
- their views regarding the company's financial statements, such as judgements and estimates, "close calls" and potential alternative accounting or disclosure options; and,
- other matters that the auditor might choose to discuss.

We believe that the adoption of this proposed requirement would result in a very time consuming process for both the auditor and management, which would significantly increase costs. We believe that readers of financial statements would not benefit from an additional detailed discussion of complex accounting policy matters, since they are already described in the critical accounting policy and estimate disclosures. Detailed information on accounting or disclosure alternatives in an AD&A would be difficult to describe in a concise and understandable fashion. Discussions of these matters among management, auditors and audit committee members are already taking place in audit committee meetings, which we believe is the proper venue for these discussions. Once final decisions have been reached about the company's accounting policies and disclosures, we do not believe anything more is to be gained from having them further discussed in an AD&A.

Expanded use of emphasis paragraphs

The concept of the expanded use of emphasis paragraphs would be an attempt to emphasize the most significant matters disclosed in the financial statements, as well as to highlight significant management judgements, estimates and potential uncertainties.

While the proposal for added emphasis paragraphs is well-meaning, the Corporation believes that generally accepted accounting principles already requires material transactions to be reported and significant estimates and judgements to be disclosed. The auditor already has the responsibility to evaluate management's disclosures of significant transactions and related disclosures. Members of management and audit committees routinely consider auditor comments on accounting decisions and disclosures and the auditor's view would have already been incorporated into the disclosure. The emphasis paragraph in the auditor's report would likely be a duplication of disclosures appearing elsewhere in the document. Therefore, an emphasis paragraph would be redundant, potentially confusing, or even misleading, since it may be viewed as an area of disagreement with management's presentation. Given the proliferation of required disclosures in the financial statements, we are opposed to additional disclosures in the auditor's report of the same facts likely already described in several places in filed documents.

Auditor assurance on other information outside the financial statements

The purpose of this proposal would be to provide additional assurance on information outside of the financial statements, including MD&A or other non-GAAP information in filed documents and earnings releases. Although there is currently no requirement for the auditor to provide assurance on such information, current auditing standards require the auditor to review such disclosures to determine if the information is misstated or inconsistent with the financial statements.

We believe the current audit guidance is sufficient, as the auditor would be required to report to management and the audit committee any material inconsistency or misstatement in information appearing outside of the financial statements. We believe that any additional auditing requirements would significantly increase costs without a corresponding benefit. Since the SEC requirements for MD&A require discussion of the Corporation's results of operations and financial position "through the eyes of management," we question whether the auditor would bring additional value to the discussion. We would also oppose an audit requirement governing disclosures made by managements in the quarterly earnings release. We believe the existing governance over earnings releases is sufficient and should be the responsibility of the audit committee and not the auditor.

Clarification of language in the standard auditor's report

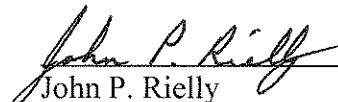
The purpose of this proposal would be to add clarifying language to the auditor's report that would provide additional information about what the audit represents and the related auditor responsibilities. While we believe that the nature of the audit and the auditor's responsibilities are already well understood by users of financial statements, we have no objection to some limited additional clarifying language if the auditing profession deems it necessary.

Summary

It is important to note that these proposals would be incremental to other standard setting initiatives already underway at the FASB and SEC and do not appear to be coordinated with those efforts. We believe these competing priorities will result in disclosure overload and could potentially create confusion for users of the financial statements. Therefore, we question both the timing and the need for the proposed additional auditor disclosures.

Hess Corporation appreciates the opportunity to comment on the PCAOB's Concept Release and would be happy to discuss these comments with the appropriate staff members.

Sincerely yours,



John P. Rielly
Senior Vice President and
Chief Financial Officer