



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

Form 10-K/A

Amendment No. 1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1-1204

Hess Corporation

(Exact name of Registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

1185 AVENUE OF THE AMERICAS,  
NEW YORK, N.Y.

(Address of principal executive offices)

13-4921002

(I.R.S. Employer Identification Number)

10036

(Zip Code)

(Registrant's telephone number, including area code, is (212) 997-8500)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Common Stock (par value \$1.00)

Name of Each Exchange on Which Registered

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant submitted electronically and posted on its Corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of voting stock held by non-affiliates of the Registrant amounted to \$17,579,000,000 computed using the outstanding common shares and closing market price on June 30, 2009.

At December 31, 2009, there were 327,229,488 shares of Common Stock outstanding.

Part III is incorporated by reference from the Proxy Statement for the annual meeting of stockholders held on May 5, 2010.



## **TABLE OF CONTENTS**

[PART IV](#)

[Item 15. Exhibits, Financial Statement Schedules](#)

[SIGNATURES](#)

[EXHIBIT INDEX](#)

[EX-23.2](#)

[EX-31.1](#)

[EX-31.2](#)

[EX-99.1](#)

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**EXPLANATORY NOTE**

Hess Corporation (the "Corporation") is filing this Amendment No. 1 on Form 10-K/A to amend the letter report of DeGolyer and MacNaughton, an independent petroleum engineering consulting firm, filed as Exhibit 99(1) to the Corporation's Annual Report on Form 10-K for the year ended December 31, 2009, as originally filed with the Securities and Exchange Commission (the "SEC") on February 26, 2010 (the "Original Report"). The letter report was amended solely to (i) remove a statement limiting its use, (ii) include relevant benchmark prices and weighted average prices used in the audit and (iii) include the percentage difference between the Corporation's estimates and those of the independent petroleum engineering consulting firm. We are also including in this Amendment No. 1 the consent of DeGolyer and MacNaughton in Exhibit 23(2) and the certifications of our Chief Executive Officer and Chief Financial Officer in Exhibits 31(1) and 31(2).

This Amendment No. 1 is being filed in response to comments received from the staff of the Division of Corporation Finance of the SEC in connection with the staff's review of the Original Report. We have made no attempt in this Amendment No. 1 to modify or update the disclosures presented in the Original Report other than as noted above. Also, this Amendment No. 1 does not reflect events occurring after the filing of the Original Report. Accordingly, this Amendment No. 1 should be read in conjunction with the Original Report and our other filings with the SEC subsequent to the filing of the Original Report.

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**PART IV**

**Item 15. Exhibits, Financial Statement Schedules**

**3. Exhibits**

- 23(2) Consent of DeGolyer and MacNaughton dated November 5, 2010.
  - 31(1) Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)).
  - 31(2) Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)).
  - 99(1) Letter report of DeGolyer and MacNaughton, Independent Petroleum Engineering Consulting Firm, dated November 5, 2010, on proved reserves audit as of December 31, 2009 of certain properties attributable to Registrant.
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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment No. 1 to be signed on its behalf by the undersigned, thereunto duly authorized, on the 8th day of November 2010.

HESS CORPORATION  
**(Registrant)**

By /s/ John P. Rielly  
**(John P. Rielly)**  
**Senior Vice President and**  
**Chief Financial Officer**

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**EXHIBIT INDEX**

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- 31(2) Certification required by Rule 13a-14(a) (17 CFR 240.13a-14(a)) or Rule 15d-14(a) (17 CFR 240.15d-14(a)).
- 99(1) Letter report of DeGolyer and MacNaughton, Independent Petroleum Engineering Consulting Firm, dated November 5, 2010, on proved reserves audit as of December 31, 2009 of certain properties attributable to Registrant.



DEGOLYER AND MACNAUGHTON  
5001 SPRING VALLEY ROAD  
SUITE 800 EAST  
DALLAS, TEXAS 75244

November 5, 2010

Hess Corporation  
1185 Avenue of the Americas  
New York, New York 10036

Ladies and Gentlemen:

We hereby consent to the use of the name DeGolyer and MacNaughton, to references to DeGolyer and MacNaughton as an independent petroleum engineering consulting firm, under the heading "Oil and Gas Reserves-Reserves Audit" in Hess Corporation's Annual Report on Form 10-K for the year ended December 31, 2009 and to the inclusion of our third party letter report dated November 5, 2010, containing our opinion on the proved reserves attributable to certain properties owned by Hess Corporation, as of December 31, 2009, (our "Report") as an exhibit to Amendment No. 1 to Hess Corporation's Annual Report on Form 10-K/A for the year ended December 31, 2009. We also consent to the incorporation by reference of our Report in the Registration Statements filed by Hess Corporation on Form S-3 (No. 333-157606) and Form S-8 (No. 333-43569, No. 333-94851, No. 333-115844, No. 333-150992 and No. 333-167076).

Very truly yours,

/s/ DEGOLYER AND MACNAUGHTON

DEGOLYER AND MACNAUGHTON

I, John B. Hess, certify that:

1. I have reviewed this annual report on Form 10-K/A of Hess Corporation; and

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

By /s/ John B. Hess

John B. Hess  
Chairman of the Board and  
Chief Executive Officer

Date: November 8, 2010

I, John P. Rielly, certify that:

1. I have reviewed this annual report on Form 10-K/A of Hess Corporation; and

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

By /s/ John P. Rielly

John P. Rielly  
Senior Vice President and  
Chief Financial Officer

Date: November 8, 2010

**DeGolyer and MacNaughton**

5001 Spring Valley Road

Suite 800 East

Dallas, Texas 75244

November 5, 2010

Board of Directors  
Hess Corporation  
1185 Avenue of the Americas  
New York, New York 10036

Gentlemen:

Pursuant to your request, we have conducted a reserves audit of the net proved crude oil, condensate, natural gas liquids (NGL), and natural gas reserves, as of December 31, 2009, of certain selected properties of Hess Corporation (Hess) to determine the reasonableness of Hess estimates. Hess has represented to us that these properties account for 79 percent on a net equivalent barrel basis of Hess' net proved reserves, as of December 31, 2009. We have reviewed information provided to us by Hess that it represents to be Hess' estimates of the net reserves, as of December 31, 2009, for the same properties as those which we evaluated. The report was completed January 15, 2010, but is being revised to add additional clarification requested by the U.S. Securities and Exchange Commission.

Reserves included herein are expressed as net reserves as represented by Hess. Gross reserves are defined as the total estimated petroleum to be produced from these properties after December 31, 2009. Net reserves are defined as that portion of the gross reserves attributable to the interests owned by Hess after deducting all interests owned by others, except in Russia, where Hess owns 80 percent of a consolidated corporate joint venture. As a result, Hess net reserves include 20 percent of the Russian joint venture reserves not owned by Hess.

Certain properties in which Hess has an interest are subject to the terms of various profit sharing agreements. The terms of these agreements generally allow for working interest participants to be reimbursed for portions of capital costs and operating expenses and to share in the profits. The reimbursements and profit proceeds are converted to a barrel of oil equivalent or standard cubic foot of gas equivalent by dividing by product prices to determine the "entitlement reserves."

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These entitlement reserves are equivalent in principle to net reserves and are used to calculate an equivalent net share, termed an "entitlement interest." In this report, Hess net reserves or interest for certain properties subject to these agreements is the entitlement based on Hess' working interest.

Estimates of oil, condensate, NGL, and natural gas reserves should be regarded only as estimates. Such estimates are based upon information that is currently available and may change as further production history and additional information become available. Such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.

Data used in this audit were obtained from reviews with Hess personnel, Hess files, from records on file with the appropriate regulatory agencies, and from public sources. Additionally, this information includes data supplied by Petroleum Information/Dwights LLC; Copyright 2009 Petroleum Information/Dwights LLC. In the preparation of this report we have relied, without independent verification, upon such information furnished by Hess with respect to property interests, production from such properties, costs of operation and development, prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. A field examination of the properties was not considered necessary for the purposes of this report. In our opinion, the adequacy and quality of the data provided to us was sufficient for us to conduct this reserves audit.

The Hess net proved reserves attributable to these properties as of December 31, 2009, and which represent approximately 79 percent of total Hess net reserves on a net equivalent barrel basis, are as follows, expressed in millions of barrels (MMbbl), billions of cubic feet (Bcf), and millions of barrels of oil equivalent (MMboe):

	Estimated by Hess Net Proved Reserves as of December 31, 2009			
	Oil and Condensate (MMbbl)	Natural Gas Liquids (MMbbl)	Natural Gas (Bcf)	Oil Equivalent (MMboe)
United States	144.7	23.4	200.6	201.5
Europe including Russia	216.9	17.0	463.7	311.2
Africa	257.5	0.0	48.2	265.5
Asia and other	61.1	7.7	1,724.8	356.3
<b>Total</b>	<b>680.2</b>	<b>48.1</b>	<b>2,437.3</b>	<b>1,134.5</b>

Note: Gas is converted to oil equivalent using a factor of 6,000 cubic feet of gas per 1 barrel of oil equivalent.

**Opinion**

The assumptions, data, methods and procedures used by DeGolyer and MacNaughton to conduct the reserves audit are appropriate for purposes of this report.

In our opinion, the estimated net proved reserves prepared by Hess as shown in the table above comply with the definitions and disclosure guidelines of Paragraphs 932-235-50-4, 932-235-50-6 through 932-235-50-9 of the Accounting Standards Update 932-235-50, *Extractive Industries – Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures* (January 2010) of the Financial Accounting Standards Board and Rules 4–10(a) (1)–(32) of Regulation S–X and Items 1201, 1202(a)(1), (2), (3), (4) and 1203 of Regulation S-K of the Securities and Exchange Commission (SEC) and the reserves estimation methodologies employed are appropriate.

In comparing the detailed net proved reserves estimates by field prepared by us and by Hess, we have found differences, both positive and negative, resulting in an aggregate difference of 3 percent when compared on the basis of net equivalent barrels. It is our opinion that the total net proved reserves estimates prepared by Hess as of December 31, 2009, on the properties reviewed by us and referred to in the table above, when compared on the basis of net equivalent barrels, do not differ materially from those prepared by us

**Methodology and Procedures**

Estimates of reserves were prepared by the use of standard geological and engineering methods generally accepted by the petroleum industry. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

When applicable, the volumetric method was used to estimate the original oil in place (OOIP) and the original gas in place (OGIP). Structure and isopach maps were constructed to estimate reservoir volume. Electrical logs, radioactivity logs, core analyses, and other available data were used to prepare these maps as well as to estimate representative values for porosity and water saturation. When adequate

data were available and when circumstances justified, material balance and other engineering methods were used to estimate OOIP or OGIP.

Estimates of ultimate recovery were obtained after applying recovery factors to OOIP or OGIP. These recovery factors were based on consideration of the type of energy inherent in the reservoirs, analyses of the fluid properties, the structural positions of the properties, and the production histories. When applicable, material balance and other engineering methods were used to estimate recovery factors. An analysis of reservoir performance, including production rate, reservoir pressure, and gas-oil ratio behavior, was used in the estimation of reserves.

For depletion-type reservoirs or those whose performance disclosed a reliable decline in producing-rate trends or other diagnostic characteristics, reserves were estimated by the application of appropriate decline curves or other performance relationships. In the analyses of production-decline curves, reserves were estimated only to the limits of economic production or to the limit of the production licenses as appropriate.

Petroleum reserves estimated by Hess and by us are classified as proved and are judged to be economically producible in future years from known reservoirs under existing economic and operating conditions and assuming continuation of current regulatory practices using conventional production methods and equipment. Reserves were estimated only to the limit of economic production rates under existing economic and operating conditions using prices and costs consistent with the effective date of this report, including consideration of changes in existing prices provided only by contractual arrangements but not including escalations based upon future conditions.

#### **Definition of Reserves**

Proved reserves classifications used in this report are in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of the SEC of the United States. The petroleum reserves are classified as follows:

*Proved oil and gas reserves* – Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known

reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes: (A) The area identified by drilling and limited by fluid contacts, if any; and, (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the



engineering analysis on which the project or program was based; and, (B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic and operating conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

*Developed oil and gas reserves* – Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

- (i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and
- (ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

*Undeveloped oil and gas reserves* – Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

- (i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.
- (ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted

indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time. (iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in Rule 4-10(a)(2) of Regulation S-X, or by other evidence using reliable technology establishing reasonable certainty.

**Primary Economic Assumptions**

The following economic assumptions were used for estimating existing and future prices and costs:

*Oil and Condensate Prices*

Hess has represented that the oil and condensate prices were based on a 12-month average price (reference price), calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. The 12-month average reference prices used were \$61.18 per barrel for West Texas Intermediate and \$59.91 per barrel for Dated Brent. Hess supplied appropriate differentials by field to the relevant reference prices and the prices were held constant thereafter. The volume weighted average price was \$58.94 per barrel.

*NGL Prices*

Hess has represented that the NGL prices were based on a 12-month average price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. These prices were held constant over the lives of

the properties. The volume weighted average NGL price was \$37.69 per barrel.

*Natural Gas Prices*

Hess has represented that the non-contracted natural gas prices were based on a reference prices, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual arrangements. The 12-month average reference price for NYMEX was \$4.19 per thousand cubic feet and the UK International Petroleum Exchange reference price was \$5.33 per thousand cubic feet. The gas prices were adjusted for each property using differentials to NYMEX or the UK International Petroleum Exchange furnished by Hess and held constant thereafter. A portion of the gas reserves evaluated are in international properties where the gas is sold based on contracted prices. The contract was used to determine the gas price but inflation was not taken into account in the calculation of the average price. The volume average weighted gas price for all gas was \$4.87 per thousand of cubic feet.

*Operating Expenses and Capital Costs*

Operating expenses and capital costs, based on information provided by Hess, were used in estimating future costs required to operate the properties. Future costs are typically based on existing costs and where appropriate adjusted to reflect planned changes in operating conditions. These costs were not escalated for inflation.

**Possible Effects of Regulations**

Hess' oil and gas reserves have been estimated assuming the continuation of the current regulatory environment. Foreign oil producing countries, including members of the Organization of Petroleum Exporting Countries (OPEC) may impose production quotas which limit the supply of oil that can be produced. Generally,

DeGolyer and MacNaughton

these production quotas affect the timing of production, rather than the total volume of oil or gas reserves estimated.

Changes in the regulatory environment by host governments may impact the operating environment and oil and gas reserves estimates of industry participants. Such regulatory changes could include increased mandatory government participation in producing contracts, changes in royalty terms, cancellation or amendment of contract rights, or expropriation or nationalization of property. While the oil and gas industry is subject to regulatory changes that could affect an industry participant's ability to recover its oil and gas reserves, neither we nor Hess are aware of any such governmental actions which restrict the recovery of the December 31, 2009, estimated oil and gas volumes.

DeGolyer and MacNaughton is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world for over 70 years. DeGolyer and MacNaughton does not have any financial interest, including stock ownership, in Hess. Our fees were not contingent on the results of our evaluation. This letter report has been prepared at the request of Hess. DeGolyer and MacNaughton has used all data, procedures, assumptions and methods that it considers necessary to prepare this report.

Submitted,

/s/ DeGolyer and MacNaughton

DeGOLYER and MacNAUGHTON

Texas Registered Engineering Firm F-716

/s/ James W. Hail, Jr., P.E.

James W. Hail, Jr., P.E.

President

DeGolyer and MacNaughton

[SEAL]

**CERTIFICATE of QUALIFICATION**

I, James W. Hail, Jr., Petroleum Engineer with DeGolyer and MacNaughton, 5001 Spring Valley Road, Suite 800 East, Dallas, Texas, 75244 U.S.A., hereby certify:

1. That I am the President of DeGolyer and MacNaughton, which company did prepare the letter report dated January 15, 2010, and revised November 5, 2010, on the proved reserves audit of certain properties attributable to Hess Corporation, and that I, as President, was responsible for the preparation of this report.
2. That I attended the Texas A&M University, and that I graduated with a Bachelor of Science degree in Chemical Engineering in 1972; that I am a Registered Professional Engineer in the State of Texas; that I am a member of the International Society of Petroleum Engineers; the American Association of Petroleum Geologists; and the Society of Petroleum Evaluation Engineers and that I have in excess of 35 years of experience in oil and gas reservoir studies and reserves evaluations.

/s/ James W. Hail, Jr., P.E.

James W. Hail, Jr., P.E.

President

DeGolyer and MacNaughton