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

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Ms. Nancy M. Morris
Secretary
United States Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: File No. S7-24-06

Dear Ms. Morris:

Hess Corporation (the Corporation), a large accelerated filer operating in the oil and gas industry, appreciates the opportunity to comment on the Proposed Rule *Management's Report on Internal Control over Financial Reporting*. Generally, we support the interpretive guidance issued in the proposed rule to assist management in preparing its assessment of internal control over financial reporting. However, we believe the Staff should re-evaluate whether two separate audits of internal control over financial reporting are necessary. We believe that the assessment of internal control over financial reporting should be management's responsibility and the duplicative requirement of having the external auditor perform an independent assessment of internal controls over financial reporting should be eliminated. This duplicative requirement continues to add significantly to the cost of complying with Section 404 of the Sarbanes-Oxley Act.

The goal of Section 404 is to provide the investing public with reliable financial reporting. In order to achieve this goal management is required to perform an assessment of internal control over financial reporting. In addition, external auditors are required to perform two assessments (1) an audit of management's assessment and (2) an independent audit of internal controls over financial reporting. In its deliberations on ways to provide relief from the high costs of compliance, the Commission considered eliminating one of the two external audits and retaining the other. Unfortunately, the Commission retained the independent audit of internal controls over financial reporting by the external auditor, which is the more costly alternative. This choice perpetuates the duplicative effort and is more disruptive to the personnel responsible for many business processes, without improving the reliability of financial reporting.

The goals of Section 404 can be met by management's assessment of internal control over financial reporting, coupled with the audit of this assessment by the external auditor. This solution would preserve the intent of Section 404, while resulting in a meaningful reduction in the overall cost of compliance. We recommend that Section 404 and AS No. 2 be amended to solely require external auditors to audit management's assessment of internal control over financial reporting, while eliminating the external auditor's independent audit of internal controls.

We would be pleased to provide any additional information.

Sincerely yours,

John P. Rielly

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