

HESS CORP  
Form 10-K  
February 28, 2014  
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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 10-K**

b

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2013**

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)*

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

**13-4921002**

*(I.R.S. Employer*

*Identification Number)*

**10036**

*(Zip Code)*

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock (par value \$1.00)	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 \$20,200,000,000 computed using the outstanding common shares and closing market price on June 28, 2013, the last business day of the Registrant's most recently completed second fiscal quarter.

At December 31, 2013, there were 325,314,177 shares of Common Stock outstanding.

Part III is incorporated by reference from the Proxy Statement for the 2014 annual meeting of stockholders.

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**HESS CORPORATION**

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Hess Corporation (the Registrant) is a Delaware corporation, incorporated in 1920. The Registrant with its subsidiaries (collectively referred to as the Corporation or Hess) is a global Exploration and Production (E&P) company that develops, produces, purchases, transports and sells crude oil and natural gas. Prior to 2013, the Corporation also operated a Marketing and Refining (M&R) segment, which it began to divest during the year. The M&R businesses manufacture refined petroleum products and purchase, market, store and trade refined products, natural gas and electricity, as well as operate retail gasoline stations, most of which have convenience stores.

In the first quarter of 2013, the Corporation announced several initiatives to continue its transformation into a more focused pure play E&P company that is expected to deliver compound average annual production growth of 5% to 8% through 2017, from its 2012 pro forma production of 289,000 barrels of oil equivalent per day (boepd). The transformation plan included fully exiting the Corporation's M&R businesses, including its terminal, retail, energy marketing and energy trading operations, as well as the permanent shutdown of refining operations at its Port Reading facility, thus completing its exit from all refining operations. HOVENSA L.L.C. (HOVENSA), a 50/50 joint venture between the Corporation's subsidiary, Hess Oil Virgin Islands Corp. (HOVIC), and a subsidiary of Petroleos de Venezuela S.A. (PDVSA), had previously shut down its United States (U.S.) Virgin Islands refinery in January 2012 and continued operating solely as an oil storage terminal. HOVIC and its partner have also commenced a sales process for HOVENSA. The transformation plan also committed to the sale of mature E&P assets in Indonesia and Thailand, and the pursuit of monetizing Bakken midstream assets by 2015.

As part of its transformation during 2012 and 2013, the Corporation sold mature or lower margin assets in Azerbaijan, Indonesia, Norway, Russia, the United Kingdom (UK) North Sea, and certain interests onshore in the U.S. In the fourth quarter of 2013, the Corporation sold its energy marketing business and its terminal network. In 2014, the Corporation plans to divest its remaining downstream businesses, including its retail marketing business and energy trading joint venture, plus its E&P assets in Thailand. The Corporation has also reached an agreement to sell dry gas acreage in the Utica shale play in the U.S.

See also the Overview in Management's Discussion and Analysis of Financial Condition and Results of Operations.

**Exploration and Production**

The Corporation's total proved developed and undeveloped reserves at December 31 were as follows:

	Crude Oil, Condensate & Natural Gas Liquids (a)		Natural Gas		Total Barrels of Oil Equivalent (BOE) (b)	
	2013 (Millions of barrels)	2012	2013 (Millions of mcf)	2012	2013 (Millions of barrels)	2012
<b>Developed</b>						
United States	278	280	279	232	325	318
Europe (c)	126	181	104	190	143	213
Africa	185	188	149	122	210	208
Asia	17	27	578	676	113	140
	<b>606</b>	676	<b>1,110</b>	1,220	<b>791</b>	879
<b>Undeveloped</b>						
United States	304	193	185	168	335	222
Europe (c)	165	235	134	167	188	263
Africa	25	46	11	20	26	49
Asia	8	21	535	720	97	140

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	<b>502</b>	495	<b>865</b>	1,075	<b>646</b>	674
<b>Total</b>						
United States	<b>582</b>	473	<b>464</b>	400	<b>660</b>	540
Europe (c)	<b>291</b>	416	<b>238</b>	357	<b>331</b>	476
Africa	<b>210</b>	234	<b>160</b>	142	<b>236</b>	257
Asia	<b>25</b>	48	<b>1,113</b>	1,396	<b>210</b>	280
	<b>1,108</b>	1,171	<b>1,975</b>	2,295	<b>1,437</b>	1,553

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- (a) Total natural gas liquids reserves were 136 million barrels (61 million barrels developed and 75 million barrels undeveloped) at December 31, 2013 and 136 million barrels (76 million barrels developed and 60 million barrels undeveloped) at December 31, 2012. Of the total natural gas liquids reserves, 83% and 78% were in the U.S. and 15% and 17% were in Norway at December 31, 2013 and 2012, respectively. In addition, natural gas liquids do not sell at prices equivalent to crude oil. See the average selling prices in the table beginning on page 8.
- (b) Reflects natural gas reserves converted on the basis of relative energy content of six mcf equals one barrel of oil equivalent (one mcf represents one thousand cubic feet). Barrel of oil equivalence does not necessarily result in price equivalence as the equivalent price of natural gas on a barrel of oil equivalent basis has been substantially lower than the corresponding price for crude oil over the recent past. See the average selling prices in the table beginning on page 8.
- (c) Proved reserves in Norway, which represented 20% and 21% of the Corporation's total reserves at December 31, 2013 and 2012, respectively, were as follows:

	Crude Oil, Condensate & Natural Gas Liquids		Natural Gas		Total Barrels of Oil Equivalent (BOE) (b)	
	2013 (Millions of barrels)	2012 (Millions of barrels)	2013 (Millions of mcf)	2012 (Millions of mcf)	2013 (Millions of barrels)	2012 (Millions of barrels)
Developed	107	102	87	73	121	114
Undeveloped	149	182	111	146	168	207
<b>Total</b>	<b>256</b>	<b>284</b>	<b>198</b>	<b>219</b>	<b>289</b>	<b>321</b>

On a barrel of oil equivalent basis, 45% of the Corporation's worldwide proved reserves were undeveloped at December 31, 2013 compared with 43% at December 31, 2012. Proved reserves held under production sharing contracts at December 31, 2013 totaled 7% of crude oil and natural gas liquids reserves and 46% of natural gas reserves, compared with 10% of crude oil and natural gas liquids reserves and 52% of natural gas reserves at December 31, 2012. Pro forma year-end reserves, which exclude assets in Indonesia and Thailand classified as held for sale at December 31, 2013, were 1,362 million boe. See the Supplementary Oil and Gas Data on pages 87 through 94 in the accompanying financial statements for additional information on the Corporation's oil and gas reserves.

Worldwide crude oil, natural gas liquids and natural gas production was as follows:

	2013	2012	2011
<b>Crude oil (thousands of barrels per day)</b>			
United States			
Bakken	55	47	26
Other Onshore	10	13	11
<b>Total Onshore</b>	<b>65</b>	<b>60</b>	<b>37</b>
Offshore	43	48	44
<b>Total United States</b>	<b>108</b>	<b>108</b>	<b>81</b>
Europe			
Russia	16	49	45
United Kingdom		15	14
Norway (a)	20	11	20
Denmark	8	9	10
	<b>44</b>	<b>84</b>	<b>89</b>
Africa			
Equatorial Guinea	44	48	54

Libya	13	20	4
Algeria	5		