AMERADA HESS CORPORATION

Revenue Accounting
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April 5, 2006

Sharron L. Gebhardt
Minerals Management Service
Minerals Revenue Management
Post Office Box 25165
MS 302B2
Denver, Colorado 80225

ATTN: RIN 1010-AD00 – Indian Oil Valuation Proposed Rule

Dear Ms. Gebhardt:

Amerada Hess Corporation is a member of an SAP User Group committee, which has oversight responsibility for the SAP PRA system software that many oil and gas companies use for financial reporting and compliance reporting. PROFOG, as this committee is known, is a forum for discussion and agreement of necessary system corrections and development to ensure that SAP PRA remains an industry standard software solution. We recently met to discuss the Indian Oil Valuation Proposed Rule and its impact on the industry related to software and costs of changes.

Recently the Minerals Management Service published proposed amendments to Indian oil valuation regulations. It is our understanding that the deadline for comments is April 14, 2005.

Based on our review of the proposed changes, PROFOG believes that the proposed regulation change will have a "significant impact" on our member companies' software development costs. Following is a brief synopsis of the related reporting changes that we believe will have the most impact on system costs:

1) **Reporting of API Gravity on 2014** - This will require a system change to include this on the 2014 transaction as well as changes to the logic for prior period corrections. Also, it appears from other industry commentary that the MMS may be looking for the API gravity associated with the contract rather than the actual weighted average gravity. Crude pricing sometimes utilizes a "deemed" gravity. This "deemed" gravity is never associated with the

accounting record and, if required, would require substantial programming to capture this as a new element.

2) **Crude Type** - This element is not currently in the revenue accounting stream at all. In order to capture the information for reporting purposes, there would be substantial changes at multiple levels within the PRA software to capture and store this additional element.
3) **Different Requirements** - This regulation would require different reporting requirements for Indian oil leases than those required for federal oil leases. To incorporate this additional logic into the MMS Reporting system of PRA would require additional programming.

In conclusion, we believe programming would likely take at least a year to implement and the final cost associated with this proposed rule change are far more significant in comparison to the benefit the MMS would derive.

Please understand that it is PROFOG's intent to provide only perspective from a system cost approach. We have neither discussed nor expressed opinions on the merits of the proposed rule as it extends to valuation.

Sincerely,

Scott A. Shelton

Scott Shelton
Manager, Revenue Accounting
Amerada Hess Corporation