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

FORM 8-K

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

Date of Report (Date of Earliest Event Reported): July 26, 2006

HESS CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE
(State or Other
Jurisdiction of
Incorporation)

No. 1-1204
(Commission
File Number)

No. 13-4921002
(IRS Employer
Identification No.)

1185 Avenue of the Americas
New York, New York 10036
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (212) 997-8500

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On July 26, 2006, Hess Corporation issued a news release reporting its results for the second quarter of 2006. A copy of this news release is attached hereto as Exhibit 99(1) and is hereby incorporated by reference.

Item 7.01. Regulation FD Disclosure.

Furnished hereunder are the prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer of Hess Corporation at a public conference call held on July 26, 2006. Copies of these remarks are attached as Exhibit 99(2) and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

99(1) News release dated July 26, 2006 reporting results for the second quarter of 2006.

99(2) Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 26, 2006

HESS CORPORATION

By: /s/ John P. Rielly

Name: John P. Rielly
Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit No. -----	Description -----
99(1)	News release dated July 26, 2006 reporting results for the second quarter of 2006.
99(2)	Prepared remarks of John B. Hess, Chairman of the Board of Directors and Chief Executive Officer.

Hess Reports Estimated Results for the Second Quarter of 2006

NEW YORK--(BUSINESS WIRE)--July 26, 2006--Hess Corporation (NYSE:HES) reported net income of \$565 million for the second quarter of 2006 compared with net income of \$299 million for the second quarter of 2005. See the following page for a table of items affecting the comparability of earnings between periods. The after-tax results by major operating activity were as follows:

	Three months ended June 30 (unaudited)		Six months ended June 30 (unaudited)	
	2006	2005	2006	2005
(In millions, except per share amounts)				
Exploration and Production	\$ 501	\$ 263	\$ 1,207	\$ 526
Marketing and Refining	121	98	170	161
Corporate	(29)	(28)	(52)	(97)
Interest expense	(28)	(34)	(65)	(72)
Net income	\$ 565	\$ 299	\$ 1,260	\$ 518
Net income per share (diluted)*	\$ 1.79	\$ 0.96	\$ 4.00	\$ 1.67
Weighted average number of shares (diluted)*	315.5	311.2	315.2	310.5

* Weighted average number of shares and per-share amounts in all periods reflect the impact of the 3-for-1 stock split on May 31, 2006.

Exploration and Production earnings were \$501 million in the second quarter of 2006 compared with \$263 million in the second quarter of 2005. The Corporation's oil and gas production, on a barrel-of-oil equivalent basis, was 354,000 barrels per day in the second quarter of 2006 compared with 355,000 barrels per day in the second quarter of 2005. In the second quarter of 2006, the Corporation's average worldwide crude oil selling price, including the effect of hedging, was \$59.00 per barrel, an increase of \$26.53 per barrel from the second quarter of 2005. The increase reflects higher crude oil prices and reduced hedge positions in 2006. The Corporation's average United States natural gas selling price was \$6.23 per Mcf in the second quarter of 2006, compared to \$6.47 per Mcf in the second quarter of 2005.

Marketing and Refining earnings were \$121 million in the second quarter of 2006 compared with \$98 million in the second quarter of 2005. Refining earnings were \$107 million in the second quarter of 2006 compared with \$77 million in the second quarter of 2005. The increased Refining earnings principally reflect higher refined product margins. Marketing operations generated earnings of \$15 million in the second quarter of 2006, compared with \$14 million in the same period of 2005.

The following items, on an after-tax basis, are included in net income (in millions):

	Three months ended June 30		Six months ended June 30	
	2006	2005	2006	2005
Exploration and Production				
Gains from asset sales	\$ 50	\$ -	\$ 236	\$ 11
Accrued office closing costs	(18)	-	(18)	-
Income tax adjustments	-	11	-	11
Legal settlement	-	-	-	11
Corporate				

Tax on repatriated earnings	-	-	-	(41)
Premiums on bond repurchases	-	(7)	-	(7)
	-----	-----	-----	-----
	\$ 32	\$ 4	\$ 218	\$ (15)
	=====	=====	=====	=====

Second quarter 2006 results included a gain related to the sale of onshore Gulf Coast oil and gas producing assets and a charge for vacated leased office space. First half 2006 results also included a gain of \$186 million related to the sale of certain producing properties located in the Permian Basin in Texas and New Mexico.

Capital and exploratory expenditures for the second quarter of 2006 amounted to \$808 million of which \$766 million related to Exploration and Production activities. Capital and exploratory expenditures for the second quarter of 2005 amounted to \$527 million, including \$507 million for Exploration and Production.

At June 30, 2006, cash and cash equivalents totaled \$486 million compared with \$315 million at December 31, 2005. The Corporation's debt to capitalization ratio at June 30, 2006 was 34.5% compared with 37.6% at the end of 2005. Total debt was \$3,774 million at June 30, 2006 and \$3,785 million at December 31, 2005.

Hess Corporation will review second quarter financial and operating results and other matters on a webcast at 10 a.m. today. For details on the event, refer to the Investor Relations section of our website at www.hess.com.

Hess Corporation, with headquarters in New York, is a global integrated energy company engaged in the exploration for and the development, production, purchase, transportation and sale of crude oil and natural gas. The Corporation also manufactures, purchases, trades and markets refined petroleum and other energy products.

Forward-Looking Statements

Certain statements in this release may constitute "forward-looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, uncertainties inherent in the measurement and interpretation of geological, geophysical and other technical data.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES SUPPLEMENTAL FINANCIAL DATA (UNAUDITED) (IN MILLIONS OF DOLLARS)

	Second Quarter 2006	Second Quarter 2005	First Quarter 2006
	-----	-----	-----
Income Statement			

Revenues and Non-operating Income			
Sales (excluding excise taxes) and other operating revenues	\$ 6,718	\$ 4,963	\$ 7,159
Non-operating income			
Equity in income (loss) of HOVENSA L.L.C.	103	108	(2)
Gain on asset sales	80	--	289
Other, net	19	11	15
	-----	-----	-----
Total revenues and non-operating income	6,920	5,082	7,461
	-----	-----	-----
Costs and Expenses			
Cost of products sold (excluding items shown separately below)	4,724	3,621	5,229
Production expenses	303	242	265
Marketing expenses	225	205	231

Exploration expenses, including dry holes and lease impairment	79	87	112
Other operating expenses	31	38	31
General and administrative expenses	134	86	106
Interest expense	44	54	57
Depreciation, depletion and amortization	283	261	266
	-----	-----	-----
Total costs and expenses	5,823	4,594	6,297
	-----	-----	-----
Income before income taxes	1,097	488	1,164
Provision for income taxes	532	189	469
	-----	-----	-----
Net income	\$ 565	\$ 299	\$ 695
	=====	=====	=====
Preferred stock dividends	12	12	12
	-----	-----	-----
Net income applicable to common stockholders	\$ 553	\$ 287	\$ 683
	=====	=====	=====

Supplemental Income Statement Information

Foreign currency gains (losses), after-tax	\$ (2)	\$ 8	\$ 7
Capitalized interest	26	22	24

Cash Flow Information

Net cash provided by operating activities (*)	\$ 686	\$ 606	\$ 1,198
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Capital and Exploratory Expenditures

Exploration and Production			
United States	\$ 226	\$ 93	\$ 160
International	540	414	1,194
	-----	-----	-----
Total Exploration and Production	766	507	1,354
Marketing and Refining	42	20	33
	-----	-----	-----
Total Capital and Exploratory Expenditures	\$ 808	\$ 527	\$ 1,387
	=====	=====	=====

Exploration expenses charged to income included above			
United States	\$ 25	\$ 23	\$ 24
International	24	11	27
	-----	-----	-----
	\$ 49	\$ 34	\$ 51
	=====	=====	=====

(*)Includes changes in working capital

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS OF DOLLARS)

	First Half	
	2006	2005
	-----	-----
Income Statement		

Revenues and Non-operating Income		
Sales (excluding excise taxes) and other operating revenues	\$13,877	\$ 9,920
Non-operating income		
Equity in income of HOVENSA L.L.C.	101	158
Gain on asset sales	369	18
Other, net	34	56
	-----	-----

Total revenues and non-operating income	14,381	10,152
	-----	-----
Costs and Expenses		
Cost of products sold (excluding items shown separately below)	9,955	7,250
Production expenses	569	466
Marketing expenses	456	402
Exploration expenses, including dry holes and lease impairment	191	220
Other operating expenses	61	69
General and administrative expenses	239	171
Interest expense	101	115
Depreciation, depletion and amortization	548	515
	-----	-----
Total costs and expenses	12,120	9,208
	-----	-----
Income before income taxes	2,261	944
Provision for income taxes	1,001	426
	-----	-----
Net income	\$ 1,260	\$ 518
	=====	=====
Preferred stock dividends	24	24
	-----	-----
Net income applicable to common stockholders	\$ 1,236	\$ 494
	=====	=====

Supplemental Income Statement Information

Foreign currency gains, after-tax	\$ 5	\$ 14
Capitalized interest	50	36

Cash Flow Information

Net cash provided by operating activities (*)	\$ 1,884	\$ 1,067
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Capital and Exploratory Expenditures

Exploration and Production		
United States	\$ 387	\$ 183
International	1,733	778
	-----	-----
Total Exploration and Production	2,120	961
Marketing and Refining	75	48
	-----	-----
Total Capital and Exploratory Expenditures	\$ 2,195	\$ 1,009
	=====	=====

Exploration expenses charged to income included above

United States	\$ 49	\$ 31
International	51	19
	-----	-----
	\$ 100	\$ 50
	=====	=====

(*)Includes changes in working capital

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)
(IN MILLIONS OF DOLLARS)

	June 30	December 31
	2006	2005
	-----	-----
Balance Sheet Information		
	-----	-----
Cash and cash equivalents	\$ 486	\$ 315

Other current assets	4,507	4,975
Investments	1,301	1,389
Property, plant and equipment - net	11,682	9,512
Other long-term assets	3,268	2,924
	-----	-----
Total assets	\$ 21,244	\$ 19,115
	=====	=====
Short-term debt and current maturities of long-term debt	\$ 95	\$ 26
Other current liabilities	6,716	6,421
Long-term debt	3,679	3,759
Other long-term liabilities	3,596	2,623
Stockholders' equity excluding other comprehensive income (loss)	9,038	7,812
Accumulated other comprehensive income (loss)	(1,880)	(1,526)
	-----	-----
Total liabilities and stockholders' equity	\$ 21,244	\$ 19,115
	=====	=====

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION EARNINGS (UNAUDITED)
(IN MILLIONS OF DOLLARS)

	Second Quarter 2006		
	United States	International	Total
	-----	-----	-----
Sales and other operating revenues	\$ 330	\$ 1,295	\$1,625
Non-operating income	80	12	92
	-----	-----	-----
Total revenues	410	1,307	1,717
	-----	-----	-----
Costs and expenses			
Production expenses, including related taxes	56	247	303
Exploration expenses, including dry holes and lease impairment	34	45	79
General, administrative and other expenses	22	50	72
Depreciation, depletion and amortization	32	235	267
	-----	-----	-----
Total costs and expenses	144	577	721
	-----	-----	-----
Results of operations before income taxes	266	730	996
Provision for income taxes	97	398	495
	-----	-----	-----
Results of operations	\$ 169	\$ 332	\$ 501
	=====	=====	=====

	Second Quarter 2005		
	United States	International	Total
	-----	-----	-----
Sales and other operating revenues	\$ 269	\$ 769	\$1,038
Non-operating income (expenses)	(3)	2	(1)
	-----	-----	-----
Total revenues	266	771	1,037
	-----	-----	-----
Costs and expenses			
Production expenses, including related taxes	58	184	242
Exploration expenses, including dry holes and lease impairment	51	36	87
General, administrative and other expenses	18	17	35

Depreciation, depletion and amortization	42	205	247
Total costs and expenses	169	442	611
Results of operations before income taxes	97	329	426
Provision for income taxes	34	129	163
Results of operations	\$ 63	\$ 200	\$ 263

First Quarter 2006

	United States	International	Total
Sales and other operating revenues	\$ 344	\$ 1,207	\$1,551
Non-operating income	288	13	301
Total revenues	632	1,220	1,852
Costs and expenses			
Production expenses, including related taxes	52	213	265
Exploration expenses, including dry holes and lease impairment	62	50	112
General, administrative and other expenses	20	25	45
Depreciation, depletion and amortization	29	222	251
Total costs and expenses	163	510	673
Results of operations before income taxes	469	710	1,179
Provision for income taxes	167	306	473
Results of operations	\$ 302	\$ 404	\$ 706

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION EARNINGS (UNAUDITED)
(IN MILLIONS OF DOLLARS)

First Half 2006

	United States	International	Total
Sales and other operating revenues	\$ 674	\$ 2,503	\$3,177
Non-operating income	368	24	392
Total revenues	1,042	2,527	3,569
Costs and expenses			
Production expenses, including related taxes	107	462	569
Exploration expenses, including dry holes and lease impairment	95	96	191
General, administrative and other expenses	44	73	117
Depreciation, depletion and amortization	61	456	517
Total costs and expenses	307	1,087	1,394
Results of operations before income taxes	735	1,440	2,175
Provision for income taxes	264	704	968
Results of operations	\$ 471	\$ 736	\$1,207

First Half 2005

	United States International Total		
Sales and other operating revenues	\$ 548	\$ 1,520	\$2,068
Non-operating income (expenses)	(4)	50	46
Total revenues	544	1,570	2,114
Costs and expenses			
Production expenses, including related taxes	107	359	466
Exploration expenses, including dry holes and lease impairment	160	60	220
General, administrative and other expenses	38	28	66
Depreciation, depletion and amortization	86	402	488
Total costs and expenses	391	849	1,240
Results of operations before income taxes	153	721	874
Provision for income taxes	57	291	348
Results of operations	\$ 96	\$ 430	\$ 526

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
 SUPPLEMENTAL OPERATING DATA
 (IN THOUSANDS, EXCEPT FOR AVERAGE SELLING PRICES)

	Second Quarter 2006	Second Quarter 2005	First Quarter 2006
Operating Data			
Net Production Per Day			
Crude oil - barrels			
United States	38	47	41
Europe	110	117	113
Africa	84	68	82
Asia and other	12	7	10
Total	244	239	246
Natural gas liquids - barrels			
United States	10	14	9
Europe	4	5	4
Total	14	19	13
Natural gas - mcf			
United States	117	148	123
Europe	244	289	280
Asia and other	214	138	207
Total	575	575	610
Barrels of oil equivalent	354	355	361
Average Selling Price			

Crude oil - per barrel (including hedging)						
United States	\$	64.53	\$	32.44	\$	57.39
Europe		60.63		33.22		54.98
Africa		53.04		28.43		45.67
Asia and other		68.64		51.78		59.04
Worldwide		59.00		32.47		53.30

Crude oil - per barrel (excluding hedging)						
United States	\$	64.53	\$	47.83	\$	57.39
Europe		63.27		50.10		56.89
Africa		67.18		47.27		61.61
Asia and other		68.64		51.78		59.04
Worldwide		65.03		49.01		58.26

Natural gas liquids - per barrel						
United States	\$	47.35	\$	34.98	\$	44.21
Europe		47.44		35.49		47.16
Worldwide		47.38		35.14		44.98

Natural gas - per mcf						
United States	\$	6.23	\$	6.47	\$	7.73
Europe		5.55		4.60		8.39
Asia and other		3.85		3.95		3.89
Worldwide		5.06		4.92		6.73

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OPERATING DATA
(IN THOUSANDS, EXCEPT FOR AVERAGE SELLING PRICES)

	First Half	
	-----	-----
	2006	2005
	-----	-----
Operating Data		

Net Production Per Day		

Crude oil - barrels		
United States	40	48
Europe	111	118
Africa	84	67
Asia and other	10	6
	-----	-----
Total	245	239
	=====	=====
Natural gas liquids - barrels		
United States	9	13
Europe	4	6
	-----	-----
Total	13	19
	=====	=====
Natural gas - mcf		
United States	120	156
Europe	262	312
Asia and other	211	121
	-----	-----
Total	593	589
	=====	=====
Barrels of oil equivalent	357	356
	=====	=====

Average Selling Price

Crude oil - per barrel (including hedging)				
United States	\$	60.81	\$	32.31
Europe		57.69		32.30
Africa		50.01		29.33
Asia and other		63.54		49.44

Worldwide	56.21	31.90
Crude oil - per barrel (excluding hedging)		
United States	\$ 60.81	\$ 46.49
Europe	59.95	48.60
Africa	64.89	45.93
Asia and other	63.54	49.44
Worldwide	61.72	47.45
Natural gas liquids - per barrel		
United States	\$ 45.87	\$ 33.94
Europe	47.33	33.69
Worldwide	46.30	33.86
Natural gas - per mcf		
United States	\$ 7.00	\$ 6.30
Europe	7.06	5.03
Asia and other	3.87	3.95
Worldwide	5.91	5.15

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
EXPLORATION AND PRODUCTION HEDGED PRICES AND VOLUMES (UNAUDITED)

Brent Crude Oil

Maturity	Average Selling Price	Thousands of barrels per day
2006		
3rd Quarter	\$27.96	30
4th Quarter	27.75	30
2007	25.85	24
2008	25.56	24
2009	25.54	24
2010	25.78	24
2011	26.37	24
2012	26.90	24

Note: There were no WTI crude oil or natural gas hedges outstanding at June 30, 2006.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
MARKETING AND REFINING SUPPLEMENTAL FINANCIAL AND OPERATING DATA
(UNAUDITED)

	Second Quarter 2006	Second Quarter 2005	First Quarter 2006
Financial Information (in millions of dollars)			
Marketing and Refining Earnings			
Income before income taxes	\$ 188	\$ 151	\$ 76
Provision for income taxes	67	53	27
Marketing and Refining Earnings	\$ 121	\$ 98	\$ 49
Summary of Marketing and Refining Earnings			
Refining	\$ 107	\$ 77	\$ 21
Marketing	15	14	12
Trading	(1)	7	16
Total Marketing and Refining Earnings	\$ 121	\$ 98	\$ 49

 Operating Data (in thousands unless noted)

Refined Product Sales (barrels per day)

Gasoline	223	227	226
Distillates	112	104	166
Residuals	42	59	85
Other	35	45	43
	-----	-----	-----
Total	412	435	520
	=====	=====	=====

Refinery Throughput (barrels per day)

HOVENSA - Crude runs	430	500	420
HOVENSA - Hess 50% share	215	250	210
Port Reading	63	58	64

Refinery Utilization

 Refinery
 Capacity

(barrels
 per day)

HOVENSA				
Crude	500	85.9%	100.1%	84.0%
FCC	150	87.3%	93.3%	66.4%
Coker	58	73.2%	100.9%	85.7%
Port Reading	65	96.9%	89.2%	98.6%

Retail Marketing

Number of retail stations (a)	1,343	1,352	1,343
Convenience store revenue (in millions of dollars) (b)	\$ 258	\$ 254	\$ 233
Average gasoline volume per station (gallons per month) (b)	222	213	195

(a) Includes company operated, Wilco-Hess, dealer and branded
 retailer.

(b) Company operated only.

HESS CORPORATION AND CONSOLIDATED SUBSIDIARIES
 MARKETING AND REFINING SUPPLEMENTAL FINANCIAL AND OPERATING DATA
 (UNAUDITED)

First Half

2006 2005

Financial Information (in millions of dollars)

Marketing and Refining Earnings

Income before income taxes	\$ 264	\$ 253
Provision for income taxes	94	92
	-----	-----
Marketing and Refining Earnings	\$ 170	\$ 161
	=====	=====

Summary of Marketing and Refining Earnings

Refining	\$ 127	\$ 119
Marketing	28	27
Trading	15	15
	-----	-----
Total Marketing and Refining Earnings	\$ 170	\$ 161
	=====	=====

 Operating Data (in thousands unless noted)

Refined Product Sales (barrels per day)

Gasoline	225	204
Distillates	139	135
Residuals	63	67
Other	39	42
	-----	-----
Total	466	448
	=====	=====

Refinery Throughput (barrels per day)

HOVENSA - Crude runs	425	475
HOVENSA - Hess 50% share	212	238
Port Reading	64	47

Refinery Utilization

 Refinery
 Capacity

(barrels
 per day)

HOVENSA			
Crude	500	85.0%	95.0%
FCC	150	76.9%	75.3%
Coker	58	79.4%	96.9%
Port Reading	65	97.8%	72.8%

Retail Marketing

Number of retail stations (a)	1,343	1,352
Convenience store revenue (in millions of dollars) (b)	\$ 492	\$ 472
Average gasoline volume per station (gallons per month) (b)	208	204

(a) Includes company operated, Wilco-Hess, dealer and branded retailer.

(b) Company operated only.

CONTACT: Hess Corporation

Investors:

Jay Wilson, 212-536-8940

or

Media:

James Allen, 212-536-8550

Hess Corporation - 2nd Quarter 2006 Conference Call

Comments by John Hess

Thank you Jay, and welcome to our second quarter conference call. As usual, I will make a few brief comments after which John Rielly will review the financial results for the quarter.

Turning to Exploration and Production, our second quarter results, compared to a year ago, benefited from strong oil prices, offset partially by higher international income taxes. Production averaged 354 thousand barrels of oil equivalent per day, which was essentially flat with the second quarter of 2005.

For 2006, our current production forecast is 360-370 thousand barrels of oil equivalent per day, which is at the lower end of the range of our original guidance. Price effects from our production sharing contracts and asset sales account for the bulk of this revision.

We continue to make excellent progress in advancing our field developments. The Okume Complex, Pangkah, and Phu Horm developments are all on schedule to commence production in early 2007.

Also, in the second quarter, the Shenzi development in the deepwater Gulf of Mexico, where we have a 28% interest, was sanctioned by the operator BHP Billiton. Major contracts have been committed and the project is scheduled to commence production in 2009.

In the United Kingdom, production from the Atlantic and Cromarty Fields commenced in June and averaged 13 million cubic feet per day for the second quarter. Net production from the fields is currently averaging about 80 million cubic feet per day.

Regarding our exploration activities, during the second quarter we announced a discovery at our 100% owned Pony prospect on Green Canyon Block 468, in the deepwater Gulf of Mexico. The well was drilled to a total depth of 32,448 feet, and encountered 475 feet of oil saturated sandstones in Miocene age reservoirs. After we complete data gathering, we will drill a sidetrack which is intended to evaluate the prospective section 4,000 feet to the northeast of the discovery well.

Also in the deepwater Gulf of Mexico, we are drilling our Ouachita and Alsace prospects on Green Canyon 376 and Garden Banks 243, respectively, as well as a Tubular Bells appraisal well on Mississippi Canyon 682. These wells have not yet reached their targeted objectives.

With regard to Marketing and Refining, refining was the major contributor to improved earnings in the second quarter versus the prior year period. The HOVENSA and Port Reading refineries both benefited from the strong margin environment. Similar to last year, retail marketing margins were squeezed during the second quarter as wholesale prices rose more quickly than pump prices.

Our current estimate of 2006 capital and exploratory expenditures is \$4.1-4.3 billion. This level of spending is up from our previous forecast of \$4.0 billion. The increase largely reflects: our success at Pony which has resulted in the addition of a sidetrack well and an appraisal well into our 2006 program; the acquisition of new leases in the deepwater Gulf of Mexico; and accelerated development drilling at the Okume Complex.

I will now turn the call over to John Rielly.