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August 8, 2008



Robert H. Herz, Chairman
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

LETTER OF COMMENT NO. 152

Via email (director@fasb.org)

RE: File Reference No. 1600-100; Exposure Draft – Proposed Statement of
Financial Accounting Standards, “Disclosure of Certain Loss Contingencies”

Dear Sir,

We appreciate the opportunity to share our comments on the above referenced Exposure Draft.

In view of our comments below and in agreement with the general theme of comments submitted by other companies and organizations, we would request that the Financial Accounting Standards Board (FASB) withdraw the Exposure Draft. We believe that it will have an adverse impact which outweighs any marginal benefit expected to be derived from the highly speculative disclosure. This limited benefit is particularly true given the absence of any substantive evidence that the existing FASB Statement No. 5, “Accounting for Contingencies,” structure is not providing meaningful disclosure.

We have several overall objections to the Exposure Draft:

- The disclosure requirements may result in lower quality and less meaningful contingency disclosure while creating the false impression of greater accuracy. By their nature, evaluations of contingency resolution timing and ultimate value are highly subjective and uncertain. We conduct business in jurisdictions in which the magnitude and frequency of punitive and other damage awards may bear little or no relation to the culpability or actual damages, thus making it difficult to predict litigation results.
- The recharacterization of the disclosure threshold as “more than remote” rather than “reasonably possible” will likely result in disclosure of nearly all litigation. The likelihood of disclosure is especially true in the early stages of litigation when estimation of loss ranges and probability of occurrence is particularly difficult.

- The additional disclosures could also have a very real and adverse impact on the ability of issuers to mitigate, negotiate and settle contingencies. The disclosure of reserved amounts and expected outcomes will be detrimental to shareholders as it gives an undue advantage to opposing parties. While we recognize that the Exposure Draft includes provisions for aggregation of contingencies and exclusion of prejudicial information, we believe that these provisions, in practice, will be ineffective.

Thank you in advance for consideration of our views.

Sincerely,

A handwritten signature in cursive script, reading "Charles W. Porter, Jr.".

Charles W. Porter, Jr.
Vice President, Chief Financial Officer
And Treasurer of Energen Corporation and
Alabama Gas Corporation