
**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 report): June 23, 2009

Constellation Energy Partners LLC

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33147
(Commission File Number)

11-3742489
(IRS Employer
Identification No.)

100 Constellation Way
Baltimore, MD
(Address of principal executive offices)

21202
(Zip Code)

Registrant's telephone number, including area code: (410) 468-3500

Not applicable
(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 7.01 Regulation FD Disclosure.

On June 26, 2009, Constellation Energy Partners LLC (the "Company") issued a press release announcing that its lenders have reduced the Company's borrowing base to \$225 million and the temporary suspension of quarterly cash distributions to unitholders, effective immediately.

A copy of the press release is furnished and attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in this Item 7.01 and in Exhibit 99.1 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, unless the Company specifically states that the information is to be considered "filed" under the Exchange Act or incorporates it by reference into a filing under the Exchange Act or the Securities Act of 1933, as amended.

Item 8.01 Other Events.

Borrowing Base Redetermination

On June 26, 2009, the Company announced that its lenders have completed a semi-annual review of the Company's borrowing base pursuant to the terms of its credit agreements. Based on this review, the aggregate borrowing base under the credit agreements has been set at \$225 million. The aggregate borrowing base had previously been set at \$265 million.

As of June 25, 2009, borrowings outstanding under the Company's credit agreements totaled \$220 million, leaving the Company 98% drawn on its lines of credit. Under the terms of the Company's credit agreements, no distributions to unitholders may be made if the borrowings outstanding under the credit facilities, net of available cash, exceed 90% of the borrowing base. As of June 25, 2009, the Company had approximately \$10.2 million in available cash, leaving the Company 93% drawn on its lines of credit, net of available cash. The Company is currently in compliance with the financial and other covenants in its credit facilities but will continue to be restricted from making cash distributions to unitholders until its outstanding debt, net of available cash, is reduced below 90% of the aggregate borrowing base.

Temporary Suspension of Quarterly Distributions

Pursuant to the terms of its credit agreements, the Company announced that it has temporarily suspended, effective immediately, quarterly cash distributions on its common (or Class B) and Class A unitholders. The Company intends to retain surplus cash as it executes its operating plan for the remainder of 2009.

The Company has highlighted the following risk related to the ownership of its common units of in light of the announced intention to suspend its quarterly cash distribution to unitholders starting with the distribution to unitholders for the second quarter of 2009.

Unitholders may be required to pay taxes on income from us even if they do not receive any cash distributions from us.

Unitholders are required to pay federal income taxes and, in some cases, state and local income taxes, on their share of our taxable income, whether or not they receive cash distributions from us. Generally, should we generate taxable income for a particular tax year and not pay any cash distributions, our unitholders will be required to pay the actual tax liability that results from their share of such taxable income even though they received no cash distributions from us.

On May 15, 2009, we paid a cash distribution of \$0.13 on each common unit (or Class B) and Class A unit. If we generate taxable income for the 2009 tax year and do not resume cash distributions in 2009, our unitholders who received that cash distribution and any unitholders who purchase or purchased common units after the record date for such distribution may not receive cash distributions from us during 2009 sufficient to pay the actual tax liability that results from their share of such 2009 taxable income.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated June 26, 2009.

SIGNATURES

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.

CONSTELLATION ENERGY PARTNERS LLC

Date: June 26, 2009

By: /s/ Charles C. Ward
Charles C. Ward
Chief Financial Officer

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1

Press Release dated June 26, 2009.



News Release

General Inquiries: 877.847.0008
www.constellationenergypartners.com

Investor Contact: Charles C. Ward
877.847.0009

Constellation Energy Partners Completes Borrowing Base Redetermination and Suspends Distribution

HOUSTON—(BUSINESS WIRE)—June 26, 2009—Constellation Energy Partners LLC (NYSE Arca: CEP) today reported that its lenders have completed a semi-annual review of the company's borrowing base pursuant to the terms of its credit agreements. Based on this review, the aggregate borrowing base under the credit agreements has been set at \$225 million. The aggregate borrowing base had previously been set at \$265 million.

As of June 25, 2009, borrowings outstanding under the company's credit agreements totaled \$220 million, leaving the company 98% drawn on its lines of credit. Under the terms of the company's credit agreements, no distributions to unitholders may be made if the borrowings outstanding under the credit facilities, net of available cash, exceed 90% of the borrowing base. As of June 25, 2009, the company had \$10.2 million in available cash, leaving the company 93% drawn on its lines of credit, net of available cash. As a result, the company will temporarily suspend quarterly cash distributions to its common (or Class B) and Class A unitholders effective immediately.

"We continue to see signs of distress in the economy and financial markets as well as weakness in the price of natural gas," said Stephen Brunner, the company's President and Chief Executive Officer. "While we believe the company has sufficient cash on hand, operating cash flows and available credit to manage the company, distributions to unitholders

are currently not permitted based on the requirements of our credit facilities. We currently intend to retain surplus cash as we execute our operating plan for the remainder of 2009.”

Additional details concerning the company’s credit facilities can be found in the company’s filings with the Securities and Exchange Commission and on the company’s Web site (<http://www.constellationenergypartners.com>).

About the Company

Constellation Energy Partners LLC is a limited liability company focused on the acquisition, development and production of oil and natural gas properties, as well as related midstream assets.

Forward-Looking Statements

We make statements in this news release that are considered forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management’s assumptions about future events may prove to be inaccurate. Management cautions all readers that the forward-looking statements contained in this news release are not guarantees of future performance, and we cannot assure you that such statements will be realized or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to factors listed in the “Risk Factors” section in our SEC filings and elsewhere in those filings. All forward-looking statements speak only as of the date of this news release. We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events or otherwise.