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

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event report): April 28, 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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EXPLANATORY NOTE

This Current Report on Form 8-K/A (Amendment No. 1) updates the Current Report on Form 8-K filed on May 4, 2009 (the “Initial 8-K”) to specify the cash portion of the Inducement Bonuses described in Item 1.01 and to update the signature pages to Exhibits 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7 and 10.8. The updated exhibits are filed herewith. No other amendments are being made to the Initial 8-K.

Item 1.01 Entry into a Material Definitive Agreement.

Employment Agreements

On May 4, 2009, Constellation Energy Partners LLC (the “**Company**”) announced in a press release that it and its wholly owned subsidiary, CEP Services Company, Inc., entered into definitive employment agreements on May 1, 2009 (the “**Employment Agreements**”) with:

- Stephen R. Brunner, the Company’s President, Chief Executive Officer and Chief Operating Officer;
- Charles C. Ward, the Company’s Chief Financial Officer and Treasurer;
- Lisa J. Mellencamp, the Company’s General Counsel and Secretary; and
- Michael B. Hiney, the Company’s Chief Accounting Officer and Controller.

The Employment Agreements supersede and terminate the Offer Letter Agreements entered into by the Company with each of Messrs. Brunner, Ward and Hiney and Ms. Mellencamp on December 31, 2008.

Pursuant to the terms of his Employment Agreement, Mr. Brunner will receive:

- a \$300,000 annual base salary;
- the right to participate in the newly adopted 2009 Omnibus Incentive Compensation Plan (the “**Plan**”), including a 2009 annual performance award under the Plan that will be determined by the Compensation Committee of the Company’s Board of Managers (the “**Committee**”), and that may pay up to 200% of Mr. Brunner’s base salary for 2009 for superior performance (100% for target-level performance);
- a grant pursuant to a grant agreement (a “**Grant Agreement**”) of 431,655 notional units under the Plan with a grant-date value of approximately \$1,333,814 based on the closing price per unit on May 1, 2009; and
- an inducement bonus (an “**Inducement Bonus**”) of \$450,000 cash and 53,957 restricted common units of the Company with an aggregate grant-date value of approximately \$166,727 based on the closing price per unit on May 1, 2009, with 50% of the total value of the Inducement Bonus vesting and becoming payable on each of January 1, 2010 and 2011.

Pursuant to the terms of his Employment Agreement, Mr. Ward will receive:

- a \$225,000 annual base salary;
- the right to participate in the Plan, including a 2009 annual performance award under the Plan that will be determined by the Committee, and that may pay up to 150% of Mr. Ward’s base salary for 2009 for superior performance (75% for target-level performance);
- a grant pursuant to a Grant Agreement of 161,871 notional units under the Plan with a grant-date value of approximately \$500,181 based on the closing price per unit on May 1, 2009; and
- an Inducement Bonus of \$337,500 cash and 40,468 restricted common units with an aggregate grant-date value of approximately \$125,046 based on the closing price per unit on May 1, 2009, with 50% of the total value of the Inducement Bonus vesting and becoming payable on each of January 1, 2010 and 2011.

Pursuant to the terms of her Employment Agreement, Ms. Mellencamp will receive:

- a \$200,000 annual base salary;
- the right to participate in the Plan, including a 2009 annual performance award under the Plan that will be determined by the Committee, and that may pay up to 130% of Ms. Mellencamp’s base salary for 2009 for superior performance (65% for target-level performance);
- a grant pursuant to a Grant Agreement of 107,914 notional units under the Plan with a grant-date value of approximately \$333,454 based on the closing price per unit on May 1, 2009; and
- an Inducement Bonus of \$300,000 cash and 35,971 restricted common units with an aggregate grant-date value of approximately \$111,150 based on the closing price per unit on May 1, 2009, with 50% of the total value of the Inducement Bonus vesting and becoming payable on each of January 1, 2010 and 2011.

Pursuant to the terms of her Employment Agreement, Mr. Hiney will receive:

- a \$175,000 annual base salary;

- the right to participate in the Plan, including a 2009 annual performance award under the Plan that will be determined by the Committee, and that may pay up to 80% of Mr. Hiney's base salary for 2009 for superior performance (40% for target-level performance);
- a grant pursuant to a Grant Agreement of 47,230 notional units under the Plan with a grant-date value of approximately \$145,940 based on the closing price per unit on May 1, 2009; and
- an Inducement Bonus of \$262,500 cash and 31,475 restricted common units with an aggregate grant-date value of approximately \$97,258 based on the closing price per unit on May 1, 2009, with 50% of the total value of the Inducement Bonus vesting and becoming payable on each of January 1, 2010 and 2011.

Termination of Employment

Each executive's employment may be terminated at any time and for any reason by either or both of the Company and the executive. Except as described below, if the executive terminates his or her employment, all unvested or unearned awards (including the awards made under the Grant Agreements and the Inducement Bonus) will be forfeited.

If the executive's employment is terminated in connection with an "Involuntary Termination" at any time prior to a change of control of the Company or after two years have elapsed following a change of control, the Company will, pursuant to the terms of the Employment Agreements, make payments and take actions as follows (such payments and actions, the "**Severance Amount**"):

- make a cash payment of (i) one and one-half times the executive's then-current annual compensation, which includes (A) the target-level bonus plus (B) the greater of the annual base salary in effect on the date of the Involuntary Termination or the annual base salary in effect 180 days prior to the Involuntary Termination, plus (ii) any part of the Inducement Bonus not already paid;
- cause any unvested awards granted under the Plan or pursuant to the Inducement Award Agreement to become immediately vested and cause any and all nonqualified deferred compensation to become immediately nonforfeitable; and
- cause a continuation of medical and dental benefits for one year following the Involuntary Termination.

If the executive's employment is terminated (i) by the executive through the exercise of the Special Termination Option (described below) or (ii) in connection with an Involuntary Termination during the two-year period following a change of control of the Company, the Company will, pursuant to the terms of his or her Employment Agreement, make payments and take actions as follows (such payments and actions, the "**Enhanced Severance Amount**");

- make a cash payment of (i) two times the executive's then-current annual compensation, which includes (A) the target level bonus plus (B) the greater of the annual base salary in effect on the date of the Involuntary Termination, the annual base salary in effect 180 days prior to the Involuntary Termination, or the annual base salary in effect immediately prior to the change of control, plus (ii) any part of the Inducement Bonus not already paid, plus (iii) the performance award and target-based grants payable under the Plan for the then-current year, paid as if the target-level performance was achieved for the entire year, prorated based on the number of whole or partial months completed at the time of the Involuntary Termination;
- cause any unvested awards granted under the Plan or pursuant to the Inducement Award Agreement to become immediately vested and cause any and all nonqualified deferred compensation to become immediately nonforfeitable;
- cause a continuation of medical and dental benefits for one year following the change of control; and
- provide for a full tax gross-up in connection with any excise tax levied on the items described in the preceding three bullets.

The "**Special Termination Option**" permits the executive to terminate his or her employment at any time within the one-year period following the acquisition by Constellation Energy Group, Inc. or its affiliates of at least 49% of the Company's outstanding common units.

The Severance Amount and Enhanced Severance Amount are contingent on the execution of a release of any claims the terminated executive may have against the Company and its affiliates. In addition, any such amounts must be repaid if a final and non-appealable judgment is entered by a court of competent jurisdiction finding that the executive's conduct in performance of his or her duties under the Employment Agreement constituted willful misconduct.

The initial term of the Employment Agreements will expire on the third anniversary of each Employment Agreement unless sooner terminated in accordance with the Employment Agreement. If the agreements have not otherwise been terminated prior to the expiration of the initial term, the Employment Agreements will automatically be extended for an additional one-year period unless either party to such Employment Agreement delivers written notice 180 days prior to the expiration of the initial term. The Company guaranteed the obligations of CEP Services Company, Inc. under the Employment Agreements.

Grant Agreements Related to Notional Units

Grants Made Under the Plan

The notional unit grants were made under the Plan pursuant to Grant Agreements, dated May 1, 2009, by and between the Company and each of Messrs. Brunner, Ward and Hiney and Ms. Mellencamp. The Plan was adopted and approved by the Company's Board of Managers on April 28, 2009 subject to approval by the Company's common unitholders. If the common unitholders do not approve the Plan, the awards and grants contemplated in the Employment Agreements and the Grant Agreements will be settled in cash based on the fair market value on the vesting date. Upon approval of the Plan by the common unitholders, the notional units so granted to Messrs. Brunner, Ward and Hiney and Ms. Mellencamp will automatically convert into the same number of restricted common units.

As adopted by the Company's Board of Managers, the Plan contains 1.65 million common units. The Plan does not replace or affect the Company's Long Term Incentive Plan (the "**LTIP**") that was adopted in November 2006 in connection with our initial public offering. The LTIP contains 450,000 common units, of which, approximately 410,421 remain available for grants under the LTIP.

Distribution Equivalent Rights

Each notional unit and restricted common unit granted under the Grant Agreements carries the right to receive distribution credits when any distributions are made by the Company on its common units. Any distribution credits will accrue under the Grant Agreement and be settled in cash or common units in the discretion of the Committee on the vesting date for the underlying notional unit or restricted common unit, as applicable. Upon approval of the Plan by the common unitholders, any accrued distribution credits on the notional units will increase the number of restricted common units that are issued upon conversion of the notional units as described above.

Vesting; Forfeiture; Change of Control

The notional units and any restricted common units under the Grant Agreements will vest ratably on January 1, 2010 and the next four anniversaries of that date. The terms of the Employment Agreements will govern the forfeiture or accelerated vesting of the notional units and any restricted common units.

Inducement Award Agreements

The Inducement Bonuses were granted pursuant to Inducement Award Agreements entered into on May 1, 2009 by and between the Company and each of Messrs. Brunner, Ward and Hiney and Ms. Mellencamp, without unitholder approval in reliance on the exemption provided in NYSE Arca rule 5.3(d)(5)(A).

Each restricted common unit granted in the Inducement Bonuses carries the right to receive distribution credits when any distributions are made by the Company on its common units. Any distribution credits will accrue under the Grant Agreement and be settled in cash or common units in the discretion of the Committee on the vesting date for the underlying restricted common unit. The terms of the Employment Agreements will govern the forfeiture or accelerated vesting of the Inducement Bonuses.

Grant of Notional Units to Independent Managers

Grants Made Under Plan

On April 28, 2009, the Company's Board of Managers approved a grant of 26,979 notional units to each of the independent managers currently serving on the Board of Managers, each with an approximate grant-date value of \$83,365 based on the closing price per unit on May 1, 2009. Each of the grants were made under the Plan pursuant to Grant Agreements, dated May 1, 2009, by

and between the Company and each of Richard H. Bachmann, Richard S. Langdon and John N. Seitz. If the common unitholders do not approve the Plan, the notional units will be settled in cash based on the fair market value on the vesting date. Upon approval of the Plan by the common unitholders, the notional units so granted to the independent managers will automatically convert into the same number of restricted common units.

Distribution Equivalent Rights

Each notional unit and restricted common unit granted under the Grant Agreements for the independent managers carries the right to receive distribution credits when any distributions are made by the Company on its common units. Any distribution credits will accrue under the Grant Agreement for the independent managers and be settled in cash or common units in the discretion of the Committee on the vesting date for the underlying notional unit or restricted common unit, as applicable. Upon approval of the Plan by the common unitholders, any accrued distribution credits on the notional units will increase the number of restricted common units that are issued upon conversion of the notional units as described above.

Vesting; Forfeiture; Change of Control

The notional units and any restricted common units under the Grant Agreements for the independent managers will vest on March 1, 2010. Any notional units, restricted common units and related distribution credits that are not vested at the time of any termination of an independent manager's service to the Company will be forfeited under the terms of the Grant Agreements for the independent managers.

Copies of the Employment Agreements are attached as Exhibits 10.1, 10.2, 10.3 and 10.4 to this Current Report on Form 8-K, and the summary of the Employment Agreements above is qualified by reference to such exhibits. Copies of the Inducement Award Agreements are attached as Exhibits 10.5, 10.6, 10.7 and 10.8 to this Current Report on Form 8-K, and the summary of the Inducement Award Agreements above is qualified by reference to such exhibits. A copy of the Form of Grant Agreement for Executive Officers is attached as Exhibit 10.9, and the summary of the Grant Agreements above is qualified by reference to such exhibit. A copy of the Form of Grant Agreement for Independent Managers is attached as Exhibit 10.10, and the summary of the Grant Agreements above is qualified by reference to such exhibit. A copy of the Company's press release is attached as Exhibit 99.1.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The disclosure under of Item 1.01 (except for the disclosure under the section captioned –Grant of Notional Units to Independent Managers) is incorporated by reference into this Item 5.02.

Item 8.01 Other Events.

On May 1, 2009, the Company made grants of an aggregate of 140,341 notional units under the Plan to seven new employees of the Company's wholly owned subsidiary, CEP Services Company, Inc ("CEP Services"), with an approximate aggregate grant-date value of \$433,654 based on the closing price per unit on May 1, 2009. Each of these employees were formerly employed by Constellation Energy Commodities Group, Inc. ("CCG"), an indirectly wholly owned subsidiary of Constellation Energy Group, Inc. ("CEG"). These employees were involved in the performance of services to the Company under our Management Services Agreement with Constellation Energy Partners Management, LLC, an indirectly wholly owned subsidiary of CCG and were hired by CEP Services to directly provide services to the Company and its subsidiaries.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1+	Employment Agreement, dated May 1, 2009, by and between CEP Services Company, Inc. and Stephen R. Brunner.

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- 10.2+ Employment Agreement, dated May 1, 2009, by and between CEP Services Company, Inc. and Charles C. Ward.
- 10.3+ Employment Agreement, dated May 1, 2009, by and between CEP Services Company, Inc. and Lisa J. Mellencamp.
- 10.4+ Employment Agreement, dated May 1, 2009, by and between CEP Services Company, Inc. and Michael B. Hiney.
- 10.5+ Inducement Award Agreement, dated May 1, 2009, by and between Constellation Energy Partners LLC and Stephen R. Brunner.
- 10.6+ Inducement Award Agreement, dated May 1, 2009, by and between Constellation Energy Partners LLC and Charles C. Ward.
- 10.7+ Inducement Award Agreement, dated May 1, 2009, by and between Constellation Energy Partners LLC and Lisa J. Mellencamp.
- 10.8+ Inducement Award Agreement, dated May 1, 2009, by and between Constellation Energy Partners LLC and Michael B. Hiney.
- 10.9* Form of Grant Agreement for Executive Officers.
- 10.10* Form of Grant Agreement for Independent Managers.
- 99.1* Press Release dated May 4, 2009.

+ Filed herewith.

* Previously filed.

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: May 5, 2009

By: /s/ Charles C. Ward

Charles C. Ward

Chief Financial Officer

EXHIBIT INDEX

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10.2+	Employment Agreement, dated May 1, 2009, by and between CEP Services Company, Inc. and Charles C. Ward.
10.3+	Employment Agreement, dated May 1, 2009, by and between CEP Services Company, Inc. and Lisa J. Mellencamp.
10.4+	Employment Agreement, dated May 1, 2009, by and between CEP Services Company, Inc. and Michael B. Hiney.
10.5+	Inducement Award Agreement, dated May 1, 2009, by and between Constellation Energy Partners LLC and Stephen R. Brunner.
10.6+	Inducement Award Agreement, dated May 1, 2009, by and between Constellation Energy Partners LLC and Charles C. Ward.
10.7+	Inducement Award Agreement, dated May 1, 2009, by and between Constellation Energy Partners LLC and Lisa J. Mellencamp.
10.8+	Inducement Award Agreement, dated May 1, 2009, by and between Constellation Energy Partners LLC and Michael B. Hiney.
10.9*	Form of Grant Agreement for Executive Officers.
10.10*	Form of Grant Agreement for Independent Managers.
99.1*	Press Release dated May 4, 2009.

+ Filed herewith.

* Previously filed.

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this “Agreement”) is made by and between CEP Services Company, Inc., a Delaware corporation (the “Company”), Stephen R. Brunner (“Executive”) and, solely for the limited purpose set out in Section 7.13 of this Agreement, Constellation Energy Partners LLC, a Delaware limited liability company (“CEP”).

WHEREAS, the Company is a wholly owned subsidiary of CEP;

WHEREAS, pursuant to an offer letter by and between the Company and Executive, dated December 31, 2008 (the “Offer Letter”), Executive is employed by the Company as President, Chief Executive Officer and Chief Operating Officer and serves in those same offices for CEP, as directed by the Company; and

WHEREAS, the Company and Executive desire to provide the full terms and conditions of Executive’s employment by the Company;

WHEREAS, the Company has caused CEP to enter into each of the 2009 LTI Grant Agreement (defined below) and Inducement Award Agreement (defined below) contemporaneously with the execution of this Agreement;

WHEREAS, the Company, CEP and Executive intend for the Offer Letter to be fully superseded by the entry into each of this Agreement, the 2009 LTI Grant Agreement and the Inducement Award Agreement;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions.

(a) “2009 LTI Grant Agreement” means that certain Grant Agreement Relating to Notional Units—Executives, dated May 1, 2009, by and between CEP and Executive.

(b) “Affiliate” means, with respect to any natural person, firm, partnership, association, corporation, limited liability company, company, trust, entity, public body or government (a “Person”), any Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) as used in this definition means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. With respect to any natural person, the term “Affiliate” means (i) the spouse or children (including those by adoption) and siblings of such Person; and any trust whose primary beneficiary is such Person, such Person’s spouse, such Person’s siblings and/or one or more of such Person’s lineal descendants,

(ii) the legal representative or guardian of such Person or of any such immediate family member in the event such Person or any such immediate family member becomes mentally incompetent and (iii) any Person controlled by or under common control with any one or more of such Person and the Persons described in clauses (i) or (ii) preceding.

(c) “Annual Base Salary” means, as of a specified date, Executive’s annual base salary as of such date determined pursuant to Section 4.1.

(d) “Annual Compensation” means, as of particular date, an amount equal to:

(i) the Target-Level Bonus for the year in which such date falls; plus

(ii) the greater of:

(A) Executive’s Annual Base Salary at the annual rate in effect on the date of his Involuntary Termination;

(B) Executive’s Annual Base Salary at the annual rate in effect 180 days prior to the date of his Involuntary Termination; and

(C) Executive’s Annual Base Salary at the annual rate in effect immediately prior to a Change of Control if Executive’s employment shall be subject to an Involuntary Termination during the Change of Control Period.

(e) “Board” means the Board of Managers of CEP.

(f) “Cause” means Executive

(i) has engaged in gross negligence, gross incompetence or willful misconduct in the performance of his duties,

(ii) has failed to substantially perform the duties and services reasonably required by the Company; provided, that such failure continues for at least 30 days after Executive’s receipt of written notice of such failure from the Company,

(iii) has willfully engaged in conduct that is materially injurious to CEP or its subsidiaries (monetarily or otherwise),

(iv) has committed an act of fraud, embezzlement or willful breach of a fiduciary duty to the Company or CEP (including the unauthorized disclosure of confidential or proprietary material information of the Company or CEP) or

(v) has been convicted of, pled guilty to, or pleaded no contest to, a crime involving fraud, dishonesty or moral turpitude.

For purposes of this definition, “moral turpitude” means an act of baseness, vileness or depravity in the private and social duties which one owes to his fellow man.

(g) “CEG” means Constellation Energy Group, Inc., a Maryland corporation.

(h) “CEG Acquisition” means the consummation of a reorganization, merger, consolidation, statutory equity exchange or similar form of business transaction involving CEG (a “CEG Business Combination”), unless immediately following such CEG Business Combination: (i) more than 60% of the total voting power of (x) the organization resulting from such CEG Business Combination (the “CEG Surviving Organization”), or (y) if applicable, the ultimate parent organization that directly or indirectly has beneficial ownership of at least 95% of the voting securities eligible to elect managers or directors of the CEG Surviving Organization (the “CEG Parent Organization”), is represented by combined voting power of CEG’s then outstanding securities eligible to vote for the election of the CEG Board (the “CEG Voting Securities”) that were outstanding immediately prior to such CEG Business Combination (or, if applicable, is represented by equity interests into which such CEG Voting Securities were converted pursuant to such CEG Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such CEG Voting Securities among the holders thereof immediately prior to the CEG Business Combination, (ii) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the CEG Surviving Organization or the CEG Parent Organization), is or becomes the beneficial owner, directly or indirectly, of 25% or more (the “CEG Percentage”) of the total voting power of the outstanding voting securities eligible to elect managers or directors of the CEG Parent Organization (or, if there is no CEG Parent Organization, the CEG Surviving Organization) except where such person held the CEG Percentage of CEG Voting Securities immediately prior to the consummation of the CEG Business Combination and (iii) at least a majority of the members of the board of managers or directors of the CEG Parent Organization (or, if there is no CEG Parent Organization, the CEG Surviving Organization) following the consummation of the CEG Business Combination were members of the CEG Board at the time of the CEG Board’s approval of the execution of the initial agreement providing for such CEG Business Combination.

(i) “CEG Board” means the Board of Directors of CEG.

(j) “CEG Ownership Event” means the consummation of any transaction or other event whereby CEG or any of its Affiliates becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 49% or more of CEP’s then-outstanding Common Units.

(k) “Change of Control” shall be deemed to have occurred upon any one or more of the following events:

(i) Board Change.

(A) During any period of 24 consecutive months, individuals who, at the commencement of such period, constitute all of the Class B Managers (the “Incumbent Class B Managers”) cease for any reason to constitute at least a majority of the Class B Managers; provided, however, that any person becoming a Class B Manager subsequent to the commencement of such period, whose election or nomination for election was approved by a vote of at least two Incumbent Class B Managers then on the Board (either by a specific vote or by approval of the proxy statement of CEP in which such person is named as a nominee for Class B Manager, without written objection to such nomination) shall be an Incumbent Class B Manager; provided further, however, that no individual initially elected or nominated as a Class B Manager of CEP as a result of an actual or threatened election contest with respect to Managers or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be an Incumbent Class B Manager; or

(B) Excluding the circumstances described in Section 1.1(k)(i)(C), during any period of 24 consecutive months, individuals who, at the commencement of such period, constitute the Board (each, an “Incumbent Board Member”) cease for any reason to constitute at least a majority of the Board; provided, however, that any person becoming a Class B Manager subsequent to the commencement of such period, whose election or nomination for election was approved by a vote of at least two Incumbent Class B Managers then on the Board (either by a specific vote or by approval of the proxy statement of CEP in which such person is named as a nominee for Class B Manager, without written objection to such nomination) shall be an Incumbent Board Member; provided further, however, that no individual initially elected or nominated as a Class B Manager of CEP as a result of an actual or threatened election contest with respect to Managers or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be an Incumbent Class B Manager; or

(C) During the period of 24 consecutive months immediately following the occurrence of a Class A Event, individuals who, at the commencement of such period, constitute the Class A Managers and at least one Class B Manager cease for any reason to serve CEP in such capacities, whether by removal, resignation or otherwise;

(ii) Unit Acquisition. Any “person” (as such term is defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes a “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of CEP representing 25% or more of the combined voting power of CEP’s then outstanding securities eligible to vote for the election of the Board (the “CEP Voting Securities”); provided, however, that none of CEP or its Affiliates shall be

deemed such a person unless CEG or any of its Affiliates shall after the date of this Agreement become the beneficial owner, directly or indirectly, of CEP Voting Securities representing 33 $\frac{1}{3}$ % or more of the CEP Voting Securities then outstanding; and provided further, however, that, except with respect to CEG or any of its Affiliates, the event described in this paragraph (ii) shall not be deemed to be a change in control by virtue of any of the following acquisitions (A) by CEP or any organization with respect to which CEP owns a majority of the outstanding equity interest or has the power to vote or direct the voting of sufficient securities to elect a majority of the Managers (or equivalent) (a "Subsidiary Company"), (B) by any employee benefit plan (or related trust) sponsored or maintained by CEP or any Subsidiary Company, (C) by any underwriter temporarily holding securities pursuant to an offering of such securities, (D) pursuant to a Non-Qualifying Transaction (as defined in paragraph (iii)), or (E) pursuant to any acquisition by Executive or any group of persons including Executive (or any entity controlled by Executive or any group of persons including Executive);

(iii) Business Combination. Consummation of a reorganization, merger, consolidation, statutory equity exchange or similar form of business transaction involving CEP or any Subsidiary Company (a "Business Combination"), unless immediately following such Business Combination: (A) more than 60% of the total voting power of (x) the organization resulting from such Business Combination (the "Surviving Organization"), or (y) if applicable, the ultimate parent organization that directly or indirectly has beneficial ownership of at least 95% of the voting securities eligible to elect managers or directors of the Surviving Organization (the "Parent Organization"), is represented by CEP Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by equity interests into which such CEP Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such CEP Voting Securities among the holders thereof immediately prior to the Business Combination, (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Organization or the Parent Organization), is or becomes the beneficial owner, directly or indirectly, of 25% or more (the "Applicable Percentage") of the total voting power of the outstanding voting securities eligible to elect managers or directors of the Parent Organization (or, if there is no Parent Organization, the Surviving Organization) except where such person held the Applicable Percentage of CEP Voting Securities immediately prior to the consummation of the Business Combination and (C) at least a majority of the members of the board of managers or directors of the Parent Organization (or, if there is no Parent Organization, the Surviving Organization) following the consummation of the Business Combination were Managers at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (any Business Combination that satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "Non-Qualifying Transaction");

(iv) Liquidation. The equity holders of CEP approve a plan of complete liquidation or dissolution of CEP; or

(v) Asset Sale. The consummation of a sale or disposition by CEP of all or substantially all of CEP's assets, other than a sale or disposition where the holders of CEP Voting Securities outstanding immediately prior thereto hold securities immediately thereafter that represent more than 60% of the combined voting power of the voting securities of the acquiror, or parent of the acquiror, of such assets.

Notwithstanding the foregoing, except with respect to CEG or any of its Affiliates, a change in control of CEP shall not be deemed to occur solely because any person acquires beneficial ownership of more than 25% of CEP Voting Securities as a result of the acquisition of CEP Voting Securities by CEP that reduces the number of CEP Voting Securities outstanding; provided, however, that if after such acquisition by CEP such person becomes the beneficial owner of additional CEP Voting Securities that increases the percentage of outstanding CEP Voting Securities beneficially owned by such person, a change in control of CEP shall then occur.

(l) "Class A Event" means the occurrence of any event through which or as a consequence of which (i) CEG shall cease to beneficially own, directly or indirectly, at least 50% of the Class A Units of CEP that are then outstanding (including where CEG or any of its direct or indirect subsidiaries (individually, a "CEG Entity") enters into a total return swap or any other contractual arrangement whereby a CEG Entity transfers any economic interest in at least 50% of the Class A Units of CEP that are then outstanding); (ii) a CEG Acquisition occurs; or (iii) CEG shall cease to have the right, directly or indirectly, to direct the appointment of all Class A Managers pursuant to Section 11.8(d) of the LLC Agreement or otherwise (including where any CEG Entity enters into any contractual arrangement whereby a CEG Entity grants any Person other than a wholly owned CEG Entity the right or option, directly or indirectly, to direct the appointment of any number of the Class A Managers pursuant to Section 11.8(d) of the LLC Agreement or otherwise).

(m) "Change of Control Period" means, with respect to a Change of Control, the two-year period beginning on the date upon which such Change of Control occurs.

(n) "Code" means the Internal Revenue Code of 1986, as amended.

(o) "Compensation Committee" means the Compensation Committee of the Board.

(p) "Disability" means that, as a result of Executive's incapacity due to physical or mental illness, (i) he shall have been absent from the full-time performance of his duties for six consecutive months, (ii) the Board reasonably determines that such incapacity is expected to be suffered for a period of at least 12 consecutive months from the date such absence first occurred and (iii) he shall not have returned to full-time performance of his duties within 30 days after written notice of disability is given to

Executive or his representative by the Company (a “Disability Notice”); provided, however, that such Disability Notice may not be given prior to 30 days before the expiration of such six-month period.

(q) “Effective Date” means May 1, 2009.

(r) “Enhanced Severance Amount” means an amount equal to two times Executive’s Annual Compensation.

(s) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(t) “Event of Good Reason” means:

(i) The occurrence, prior to a Change of Control or after the expiration of a Change of Control Period, of any one or more of the following:

(A) a material reduction in the nature or scope of Executive’s authority or duties from those previously applicable to him; provided, however, that, if Executive holds more than one office, the removal from any offices other than the most senior shall not constitute an Event of Good Reason;

(B) a reduction in Executive’s Annual Base Salary, except with Executive’s prior written consent;

(C) a diminution in Executive’s eligibility to participate in bonus, stock option, incentive award and other compensation plans that provide opportunities to receive compensation that are substantially similar to the opportunities provided by CEP or the Company to executives with comparable duties (subject, in each case to CEP and Executive performance, as applicable);

(D) a change in the location of Executive’s principal place of employment by the Company by more than 60 miles from the location where he was principally employed; provided, however, that such change in the location of Executive’s principal place of employment shall not constitute an Event of Good Reason if Executive consents to such decision to relocate prior to such change in location.

(ii) The occurrence, within a Change of Control Period, of any one or more of the following (except with Executive’s prior written consent):

(A) a material reduction in the nature or scope of Executive’s authority or duties from those applicable to him immediately prior to the date on which a Change of Control occurs;

(B) a reduction in Executive's Annual Base Salary from that provided to him immediately prior to the date on which a Change of Control occurs;

(C) a diminution in Executive's eligibility to participate in bonus, stock option, incentive award and other compensation plans that provide opportunities to receive compensation that are the greater of (A) the opportunities provided by CEP or the Company and any of its subsidiaries for executives with comparable duties or (B) the opportunities under any such plans under which he was participating immediately prior to the date on which a Change of Control occurs;

(D) a material diminution in employee benefits (including medical, dental, life insurance and long-term disability plans) and perquisites applicable to Executive from the greater of (A) the employee benefits and perquisites provided by CEP or the Company and any of its subsidiaries to executives with comparable duties or (B) the employee benefits and perquisites to which Executive was entitled immediately prior to the date on which a Change of Control occurs; or

(E) a change in the location of Executive's principal place of employment by the Company by more than 60 miles from the location where he was principally employed immediately prior to the date on which a Change of Control occurs; provided, however, that such change in the location of Executive's principal place of employment shall not constitute an Event of Good Reason if Executive consents to the decision to relocate prior to such change in location.

(u) "Inducement Award Agreement" means that certain Inducement Award Agreement, dated May 1, 2009, by and between CEP and Executive.

(v) "Involuntary Termination" means any termination of Executive's employment with the Company that:

(i) does not result from a resignation by Executive (other than a resignation pursuant to clause (ii) of this Section 1.1(v));

(ii) results from the Company's delivery of a notice pursuant to Section 3.1 that no automatic extension shall occur upon the Initial Expiration Date; or

(iii) results from a resignation by Executive on or before the date that is 60 days after the occurrence of an Event of Good Reason;

provided, however, that the term "Involuntary Termination" shall not include a termination for Cause or any termination as a result of death or Disability.

(w) “LLC Agreement” means the Second Amended and Restated Operating Agreement of Constellation Energy Partners LLC, dated as of November 20, 2006, as amended, and as may be further amended from time to time.

(x) “Manager” means a member of the Board.

(y) “Omnibus Incentive Plan” means (i) Constellation Energy Partners LLC Long-Term Incentive Plan, (ii) the Constellation Energy Partners LLC 2009 Omnibus Incentive Plan and (iii) any successor plan adopted by CEP or any of its Affiliates for the benefit of the employees of CEP or any of its Affiliates.

(z) “Performance Award” has the meaning given such term in the Omnibus Incentive Plan.

(aa) “Severance Amount” means an amount equal to one and one-half times Executive’s Annual Compensation; provided, however, that, at any time after December 31, 2009, such amount shall include a Target-Level Bonus only if a bonus was paid to or earned by Executive for the most recently completed fiscal year of CEP.

(bb) “Severance Period” means the period commencing on the date of Involuntary Termination and continuing for 12 months thereafter.

(cc) “Special Termination Option” means Executive’s right to terminate his employment hereunder within one year of the first occurrence of a CEG Ownership Event.

(dd) “Target-Based Grant” means an award under the Omnibus Incentive Plan for which eligibility or pay-out is determined by reference to the achievement of a Performance Goal, as such term is defined in the Omnibus Incentive Plan.

(ee) “Target-Level Bonus” means that bonus required or indicated under a Performance Award or other Target-Based Grant under the Omnibus Incentive Plan or other bonus arrangement of CEP or the Company, in each case as if all target performance goals were achieved.

1.2 Interpretations.

(a) General. In this Agreement, unless a clear contrary intention appears, (a) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision, (b) reference to any Article or Section means such Article or Section hereof, (c) the words “including” (and with correlative meaning “include”) means including, without limiting the generality of any description preceding such term and (d) where any provision of this Agreement refers to action to be taken by either party, or that such party is prohibited from taking an action, such provision shall be applicable whether such action is taken directly or indirectly by such party.

(b) Comparable Positions. For purposes of this Agreement, the offices of chief financial officer or general counsel shall be deemed to have comparable duties to those of Executive.

ARTICLE 2 EMPLOYMENT AND DUTIES

2.1 Employment. Effective as of the Effective Date and continuing for the period of time set forth in Section 3.1 of this Agreement (the "Term"), Executive's employment by the Company shall be subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date during the Term, the Company shall employ Executive in the position of President, Chief Executive Officer and Chief Operating Officer of CEP and President, Chief Executive Officer and Chief Operating Officer of the Company.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently the duties and services appertaining to such offices, as well as such additional duties and services appropriate to such offices that CEP or the Company may reasonably designate from time to time. Executive's employment shall also be subject to the policies maintained and established by CEP or the Company that are of general applicability to CEP's or the Company's employees, as such policies may be amended from time to time.

2.4 Other Interests. Executive agrees, during the period of such employment by the Company, to devote substantially all of Executive's business time, energy and efforts to the business and affairs of CEP and the Company.

2.5 Duty of Loyalty. Executive acknowledges and agrees that Executive owes a fiduciary duty of loyalty to act at all times in the best interests of CEP and the Company. In keeping with such duty, Executive shall make full disclosure to CEP and the Company of all business opportunities pertaining to CEP's or the Company's businesses and shall not appropriate for Executive's own benefit business opportunities concerning CEP's or the Company's businesses.

2.6 Disclosure Representation. Executive represents to the Company that no event of the type referred to in Section 1.1(f)(v) has occurred with respect to Executive other than as has been disclosed to the Board.

ARTICLE 3 TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless Executive's employment hereunder is sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the third anniversary of the Effective Date (the "Initial Expiration Date"); provided, however, that beginning on the Initial Expiration Date, and on each anniversary of the Initial Expiration Date thereafter, if Executive's employment hereunder has not been terminated pursuant to Section 3.2 or Section 3.3, then said term of employment shall automatically be extended for an additional one-year period unless on or before the date that is 180 days prior to the Initial Expiration Date or any anniversary thereof either party shall give written notice to the other that no such automatic extension shall occur.

3.2 The Company's Right To Terminate. Notwithstanding the provisions of Section 3.1, the Company shall have the right to terminate Executive's employment under this Agreement at any time for any of the following reasons:

- (a) upon Executive's death;
- (b) upon Executive's Disability;
- (c) for Cause; or
- (d) for any other reason whatsoever, in the sole discretion of the Board.

3.3 Executive's Right To Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate his employment under this Agreement for any of the following reasons:

- (a) as a result of an Event of Good Reason; provided, however, that prior to Executive's termination as a result of an Event of Good Reason, Executive must give written notice to the Company of the specific occurrence that resulted in the Event of Good Reason and such occurrence must remain uncorrected for 30 calendar days following such written notice; or
- (b) at any time for any other reason whatsoever, in the sole discretion of Executive.

3.4 Notice of Termination. If the Company desires to terminate Executive's employment hereunder at any time prior to expiration of the Term, it shall do so by giving written notice to Executive that it has elected to terminate Executive's employment hereunder and stating the effective date and reason for such termination; provided, however, that no such action shall alter or amend any other provisions of this Agreement or rights arising under this Agreement. If Executive desires to terminate his employment hereunder at any time prior to expiration of the Term, he shall do so by giving a 60-day written notice to the Company that he has elected to terminate his employment hereunder and stating the effective date and reason for such termination; provided, however, that no such action shall alter or amend any other provisions of this Agreement or rights arising under this Agreement.

3.5 Deemed Resignations. Any termination of Executive's employment shall constitute an automatic resignation of Executive as an officer and manager or director, as applicable, (if applicable) of CEP, the Company and each of its Affiliates, unless Executive owns at least 10% of the issued and outstanding CEP Voting Securities, in which case such resignation shall not be deemed an automatic resignation of Executive from the Board, and from the board of directors or similar governing body of any corporation, limited liability company or other entity in which CEP holds an equity interest and with respect to which board or similar governing body Executive serves as CEP's designee or other representative.

ARTICLE 4
COMPENSATION AND BENEFITS

4.1 Base Salary. During the Term, Executive shall receive an initial Annual Base Salary of \$300,000. Executive's Annual Base Salary shall be reviewed by the Compensation Committee on an annual basis, and, in the sole discretion of the Compensation Committee, such Annual Base Salary may be increased, effective as of any date determined by the Compensation Committee. Executive's Annual Base Salary shall be paid in equal installments in accordance with the Company's standard policy regarding payment of compensation to executives but no less frequently than monthly.

4.2 Bonuses.

(a) General. During the Term, the Company shall cause CEP to make yearly grants to Executive of a Performance Award under the Omnibus Incentive Plan; provided, however, that all determinations relating to Executive's participation, including those relating to the performance goals applicable to Executive and Executive's level of participation and payout opportunity, shall be made by the Compensation Committee in its sole discretion.

(b) 2009 Award. The Company shall cause CEP to grant Executive a Performance Award for 2009 with such Performance Metrics (as such term is defined in the Omnibus Incentive Plan) determined by the Committee in its good faith discretion (the "2009 Award"). The 2009 Award shall pay in cash 100% of Executive's initial Annual Base Salary for the achievement of Target-Level Performance and up to 200% of Executive's initial Annual Base Salary for superior performance, in each case as such performance is determined by the Committee in its good faith discretion; provided, however, that, if the Constellation Energy Partners LLC 2009 Omnibus Incentive Compensation Plan has not been approved by the common unitholders of the Company prior to December 31, 2009, the Company shall pay Executive an amount in cash that is equivalent to the amount that would have been payable in respect of the 2009 Award, which payment shall be made contemporaneously with the payment by the Company of bonuses to its other employees, but in no event later than March 31, 2010.

(c) Inducement Bonus. The Company shall pay Executive an aggregate cash bonus of \$450,000 (the "Inducement Cash Bonus"), \$225,000 of which is payable on January 1, 2010 and \$225,000 of which is payable on January 1, 2011.

4.3 Long-Term Incentive. During the Term, the Company shall cause CEP to make yearly long-term incentive grants to Executive under the Omnibus Incentive Plan; provided, however, that all determinations relating to Executive's participation, including those relating to the performance goals applicable to Executive and Executive's level of participation and payout opportunity, shall be made by the Compensation Committee in its sole discretion.

4.4 Life Insurance. To the extent such insurance is available to the Company on commercially reasonable terms, the Company shall obtain, and thereafter maintain at all times prior to the termination of Executive's employment hereunder pursuant to Article 3, a term life

insurance policy with a responsible and reputable insurance company on the life of Executive, in the face amount equal to Executive's then-current Annual Base Salary, which policy shall name any party designated by Executive as the beneficiary thereunder.

4.5 Other Perquisites. During Executive's employment hereunder, Executive shall be afforded the following benefits as incidences of his employment:

(a) Business and Entertainment Expenses. Subject to the Company's standard policies and procedures with respect to expense reimbursement as applied to its employees generally, the Company shall no less frequently than monthly reimburse Executive for, or pay on behalf of Executive, reasonable and appropriate expenses incurred by Executive for business related purposes, including dues and fees to industry and professional organizations and costs of entertainment and business development.

(b) Vacation. During his employment hereunder, Executive shall be entitled each calendar year to such number of days of paid vacation and to all holidays, in each case as provided to employees of the Company generally.

(c) Other Company Benefits. Executive and, to the extent applicable, Executive's spouse, dependents and beneficiaries, shall be allowed to participate in all benefits, plans and programs, including improvements or modifications of the same, that are now, or may hereafter be, available to other executives or employees of the Company. Such benefits, plans and programs shall include any profit sharing plan, thrift plan, health insurance or health care plan, life insurance, disability insurance, pension plan, supplemental retirement plan, vacation and sick leave plan, and the like that may be maintained by the Company. The Company shall not, however, by reason of this paragraph be obligated to institute, maintain or refrain from changing, amending or discontinuing any such benefit plan or program, as long as such changes are similarly applicable to employees generally.

ARTICLE 5 EFFECT OF TERMINATION ON COMPENSATION; ADDITIONAL PAYMENTS

5.1 Termination Other Than an Involuntary Termination.

(a) Except as provided in Section 5.1(b), if Executive's employment hereunder shall terminate upon expiration of the Term because either party has provided the notice contemplated in Section 3.1 or for any other reason except those described in Section 5.2 and Section 5.3, then all compensation and all benefits to Executive under this Agreement shall continue to be provided until the date of such termination of employment, and such compensation and benefits shall terminate contemporaneously with such termination of employment.

(b) If Executive shall die or the Company shall have delivered a Disability Notice, then all compensation and all benefits to Executive under this Agreement shall continue to be provided until the date of such death or the date on which the Disability Notice is delivered; provided, however, that (i) the award of Restricted Units made

pursuant to the Inducement Award Agreement and all awards under the Omnibus Incentive Plan (including the award made pursuant to the 2009 LTI Grant Agreement) shall immediately accelerate, if then unvested, and vest in Executive or the legal representative of his estate and the Company shall pay to Executive or the legal representative of his estate any part of the Inducement Cash Bonus not already paid to Executive; and (ii) for the year in which Executive's death or the Company's delivery of a Disability Notice, as applicable, occurs, the Company shall pay to Executive or the legal representative of his estate the applicable Target-Level Bonus, pro rated for the number of days elapsed in such year at the time of such death or delivery, as applicable.

5.2 Involuntary Termination Other Than During a Change of Control Period. If Executive's employment hereunder shall be subject to an Involuntary Termination that occurs prior to a Change of Control or after the expiration of a Change of Control Period, then the Company shall, subject to Section 5.7, pay to Executive, as additional compensation for services rendered to the Company (including CEP and its subsidiaries), the following amounts and take the following actions after the last day of Executive's employment with the Company:

(a) Pay Executive a lump-sum cash payment in an amount equal to the Severance Amount plus any part of the Inducement Cash Bonus not already paid to Executive, which lump-sum cash payment shall be made on the first day the timing of which would not cause any part of the Severance Amount or such part of the Inducement Cash Bonus to be subject to additional taxes or interest under Section 409A of the Code.

(b) Cause (i) the Restricted Units and related Distribution Credits granted pursuant to the Inducement Award Agreement and (ii) any and all outstanding options and other non-vested service-based awards under the Omnibus Incentive Plan (including the Notional Units and related Distribution Credits granted pursuant to the 2009 LTI Grant Agreement), that are held by Executive, to become immediately vested, earned and exercisable in full and cause Executive's accrued benefits under any and all nonqualified deferred compensation plans sponsored by CEP or the Company to become immediately nonforfeitable.

(c) Cause Executive and those of his dependents (including Executive's spouse) who were covered under the Company's medical and dental benefit plans on the day prior to Executive's Involuntary Termination to continue to be covered under such plans (or to receive equivalent benefits) throughout the Severance Period at no greater cost to Executive than that applicable to a similarly situated Company employee who has not terminated employment; provided, however, that

(i) such coverage shall terminate if and to the extent Executive becomes eligible to receive medical and dental coverage from a subsequent employer (and any such eligibility shall be promptly reported to the Company by Executive),

(ii) if Executive (and/or Executive's spouse) would have been entitled to retiree medical and/or dental coverage under the Company's plans had Executive voluntarily retired on the date of such Involuntary Termination, then such coverages shall be continued as provided under such plans, and

(iii) such coverage to Executive (or the receipt of equivalent benefits) shall be provided under one or more insurance policies so that reimbursement or payment of benefits to Executive thereunder shall not result in taxable income to Executive (or, if any such reimbursement or payment of benefits is taxable to Executive, then the Company shall pay to Executive an amount (the “tax gross-up payment”) equal to an amount as is required to hold Executive harmless from any additional tax liability (including liability under Section 409A of the Code) relating to such reimbursement or payment). Any such tax gross-up payment shall be made as soon as practicable after Executive remits the taxes, but in all events within 30 days of such remittance.

The Company shall pay any premiums arising from such coverage on a monthly basis.

5.3 Involuntary Termination During a Change of Control Period; Special Termination Option. If (X) Executive’s employment hereunder shall be subject to an Involuntary Termination (i) following a Change of Control and (ii) during a Change of Control Period or (Y) Executive shall have delivered notice to the Company of his exercise of the Special Termination Option within one year following the first occurrence of a CEG Ownership Event, then the Company shall, subject to Section 5.7, pay to Executive, as additional compensation for services rendered to the Company (including CEP and its subsidiaries), the following amounts and take the following actions after the last day of Executive’s employment with the Company:

(a) Pay Executive a lump-sum cash payment in an amount equal to the Enhanced Severance Amount plus any part of the Inducement Cash Bonus not already paid to Executive, which lump-sum cash payment shall be made on the first day the timing of which would not cause any part of the Enhanced Severance Amount or such part of the Inducement Cash Bonus to be subject to additional taxes or interest under Section 409A of the Code.

(b) Pay Executive a lump-sum cash payment in respect of the Performance Award under the Omnibus Incentive Plan for the then-current year, which amount (the “Current-Year PA Payment”) shall be paid out as if Target-Level Performance will have been achieved for such year; provided, however, that the Current-Year PA Payment shall be prorated based on the number of whole or partial months that have occurred as of the date of such Involuntary Termination. The Current-Year PA Payment shall be made on the first day the timing of which would not cause any part of such payment to be subject to additional taxes or interest under Section 409A of the Code.

(c) Pay Executive a lump-sum cash payment under the Omnibus Incentive Plan for any Target-Based Grants for the then-current year (not including any Performance Awards), which amount (the “Other TBG Payment”) shall be paid out as if Target-Level Performance will be achieved for such year; provided, however, that the Other TBG Payment shall be prorated based on the number of whole or partial months that have occurred as of the date of such Involuntary Termination. The Other TBG

Payment shall be made on the first day the timing of which would not cause any part of such payment to be subject to additional taxes or interest under Section 409A of the Code.

(d) Cause (i) the Restricted Units and related Distribution Credits granted pursuant to the Inducement Award Agreement and (ii) any and all outstanding options and other non-vested service-based awards under the Omnibus Incentive Plan (including the Notional Units and related Distribution Credits granted pursuant to the 2009 LTI Grant Agreement), that are held by Executive, to become immediately vested, earned and exercisable in full and cause Executive's accrued benefits under any and all nonqualified deferred compensation plans sponsored by CEP or the Company to become immediately nonforfeitable.

(e) Cause Executive and those of his dependents (including Executive's spouse) who were covered under the Company's medical and dental benefit plans on the day prior to Executive's Involuntary Termination to continue to be covered under such plans (or to receive equivalent benefits) throughout the Severance Period at no greater cost to Executive than that applicable to a similarly situated Company employee who has not terminated employment; provided, however, that

(i) such coverage shall terminate if and to the extent Executive becomes eligible to receive medical and dental coverage from a subsequent employer (and any such eligibility shall be promptly reported to the Company by Executive),

(ii) if Executive (and/or Executive's spouse) would have been entitled to retiree medical and/or dental coverage under the Company's plans had Executive voluntarily retired on the date of such Involuntary Termination, then such coverages shall be continued as provided under such plans, and

(iii) such coverage to Executive (or the receipt of equivalent benefits) shall be provided under one or more insurance policies so that reimbursement or payment of benefits to Executive thereunder shall not result in taxable income to Executive.

The Company shall pay any premiums arising from such coverage on a monthly basis.

(f) Should any amount paid or benefit delivered pursuant to this Section 5.3 result in an excise tax payable by Executive, the Company shall pay to Executive an amount (the "tax gross-up payment") as is required to hold Executive harmless from such excise tax and any additional tax liability arising as a result of any part of the tax gross-up payment. Any such tax gross-up payment shall be made as soon as practicable after Executive remits the taxes, but in all events within 30 days of such remittance.

5.4 Interest on Late Payments. If any payment provided for in Section 5.1, Section 5.2 or Section 5.3 hereof is not made when due, then the Company shall pay to Executive interest on the amount payable from the date that such payment should have been made under such Section until such payment is made, which interest shall be calculated, on a

per-annum basis, at 2% plus the prime or base rate of interest as reported from time to time in the *Wall Street Journal*, and shall further hold Executive harmless from any liability under Section 409A of the Code.

5.5 Liquidated Damages. In light of the difficulties in estimating the damages for an early termination of Executive's employment under this Agreement, the Company and Executive hereby agree that the payments, if any, to be received by Executive pursuant to this Article 5 shall be received by Executive as liquidated damages.

5.6 Other Benefits. This Agreement governs the rights and obligations of Executive and the Company with respect to Executive's base salary and certain perquisites of employment. Except as expressly provided herein, Executive's rights and obligations both during the term of his employment and thereafter with respect to unit options, restricted units, incentive and deferred compensation, life insurance policies insuring the life of Executive and other benefits under the plans and programs maintained by the Company shall be governed by the separate agreements, plans and other documents and instruments governing such matters.

5.7 Release. As a condition to the Company's obligations arising under Section 5.2 and Section 5.3, Executive shall first execute and deliver to the Company a release, in the form reasonably established by the Compensation Committee, releasing the Company, CEP and their respective Affiliates, officers, managers, directors, employees and agents, from any and all claims and from any and all causes of action of any kind or character, including all claims and causes of action arising out of Executive's employment hereunder or the termination of such employment. The performance of the Company's obligations under Section 5.2 and Section 5.3 and the receipt of the severance benefits provided thereunder by Executive shall constitute full settlement of all such claims and causes of action. Executive shall not be under any duty or obligation to seek or accept other employment following a termination of employment pursuant to which severance benefits under Section 5.2 and Section 5.3 are owing and any amounts due Executive pursuant to Section 5.2 and Section 5.3 shall not be reduced or suspended if Executive accepts subsequent employment or earns any amounts as a self-employed individual. Executive's rights under Section 5.2 and Section 5.3 are Executive's sole and exclusive rights against the Company and any of its Affiliates and the Company's and its Affiliates' sole and exclusive liability to Executive under, by reason of or related to this Agreement, whether in contract, tort or otherwise, for the termination of his employment by the Company. Nothing contained in this Section 5.7 shall be construed to be a waiver by Executive of any benefits accrued for or due Executive under any employee benefit plan (as such term is defined in the Employees' Retirement Income Security Act of 1974, as amended) maintained by the Company, CEP or any of their respective subsidiaries except that Executive shall not be entitled to any severance benefits pursuant to any severance plan or program of the Company, CEP or any of their respective subsidiaries.

ARTICLE 6
OTHER AGREEMENTS

6.1 Protection of Confidential Information.

(a) Disclosure to and Property of CEP or the Company. All information, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed or acquired by Executive, individually or in conjunction with others, during the period of Executive's employment by the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) that relate to CEP's or the Company's business, trade secrets, products or services (including all such information relating to corporate opportunities, product specification, compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within a customer's organizations or within the organization of acquisition prospects, marketing and merchandising techniques, business plans, computer software or programs, computer software and database technologies, prospective names and marks) (collectively, the "Confidential Information") shall be disclosed to CEP or the Company and are and shall be the sole and exclusive property of the Company. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "Work Product") are and shall be the sole and exclusive property of the Company. Upon Executive's termination of employment hereunder, for any reason, Executive shall promptly deliver such Confidential Information and Work Product, and all copies thereof, to the Company.

(b) Disclosure to Executive. The Company has and will disclose to Executive, or place Executive in a position to have access to or develop, Confidential Information and Work Product of CEP or the Company; and/or has and will entrust Executive with business opportunities of CEP or the Company; and/or has and will place Executive in a position to develop business goodwill on behalf of CEP or the Company. Executive agrees to preserve and protect the confidentiality of all Confidential Information or Work Product.

(c) No Unauthorized Use or Disclosure. Executive agrees that he will not, at any time during or after Executive's employment hereunder, make any unauthorized disclosure of, and will prevent the removal from CEP's or the Company's premises of, Confidential Information or Work Product, or make any use thereof, except in the carrying out of Executive's responsibilities during the course of Executive's employment hereunder. Executive shall use commercially reasonable efforts to cause all persons or entities to whom any Confidential Information shall be disclosed by him under this Agreement to observe the terms and conditions set forth herein as though each such

person or entity was bound hereby. Executive shall have no obligation under this Agreement to keep confidential any Confidential Information if and to the extent that disclosure thereof is specifically required by law; provided, however, that in the event disclosure is required by applicable law, Executive shall provide the Company with prompt notice of such requirement prior to making any such disclosure so that the Company may seek an appropriate protective order. At the request of the Company at any time, Executive agrees to deliver to the Company all Confidential Information that he may possess or control. Executive agrees that all Confidential Information (whether now or hereafter existing) conceived, discovered or made by him during the period of Executive's employment hereunder exclusively belongs to the Company (and not to Executive), and Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. Affiliates of the Company, shall be third-party beneficiaries of Executive's obligations under this Section 6.1. As a result of Executive's employment hereunder, Executive may also from time to time have access to, or knowledge of, confidential information or work product of third parties, such as customers, suppliers, partners, joint venturers and the like, of CEP or the Company. Executive also agrees to preserve and protect the confidentiality of such third-party confidential information and work product to the same extent, and on the same basis, as the Confidential Information and Work Product.

(d) Ownership by the Company. If, during Executive's employment hereunder, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, computer programs, e-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures or the like) relating to CEP's or the Company's business, products or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on CEP's or the Company's premises or otherwise), including any Work Product, the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive's employment; or, if the work is not prepared by Executive within the scope of Executive's employment but is specially ordered by the Company as a contribution to a collective work, as a part of an audiovisual work, as a translation, as a supplementary work, as a compilation or as an instructional text, then the work shall be considered to be work made-for-hire, and the Company shall be the author of the work. If such work is neither prepared by Executive within the scope of Executive's employment nor a work specially ordered that is deemed to be a work made-for-hire, then Executive hereby agrees to assign, and by these presents does assign, to the Company all of Executive's worldwide right, title and interest in and to such work and all rights of copyright therein.

(e) Assistance By Executive. During the period of Executive's employment hereunder and thereafter, Executive shall reasonably assist the Company and its nominee, at any time, in (a) the protection of the Company's worldwide right, title and interest in and to Work Product, (b) the execution of all formal assignment documents requested by the Company or its nominee and (c) the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries.

(f) Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Section 6.1 by Executive, and the Company shall be entitled to enforce the provisions of this Section 6.1 by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 6.1 but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and his agents.

6.2 Non-Disparagement. Except as required by law, for a period of one year immediately following any termination of Executive's employment hereunder (a) Executive agrees to refrain from making any statement disparaging CEP or the Company, any officer, manager, employee or other service provider for CEP or the Company, or any product or service offered by CEP, the Company or any of their respective Affiliates; and (b) the Company agrees to refrain from making any statement disparaging Executive.

6.3 Non-Solicitation. For a period of one year immediately following any termination of Executive's employment hereunder, Executive shall not directly or indirectly solicit, induce, recruit, encourage or otherwise endeavor to cause or attempt to cause any employee or consultant of CEP or the Company to terminate their relationship with CEP or the Company, as the case may be; provided, however, that nothing in this Section 6.3 shall prohibit the use of a general solicitation in a publication or by other means.

6.4 Claw-back.

(a) Post-Termination Payments. Executive agrees to promptly repay to the Company all payments made pursuant to any of Section 5.2, Section 5.3, Section 5.4 or Section 5.5 if there has been a final and non-appealable judgment entered by a court of competent jurisdiction that found willful misconduct by Executive in the performance of his duties prior to the termination of his employment hereunder.

(b) Pre-Termination Bonuses. Executive agrees to promptly repay to the Company any Overpayment in the event of any restatement of CEP's financial statements that are filed with the Securities and Exchange Commission. For purposes of this Section 6.4(b), "Overpayment" means the excess, if any, of (i) the amounts actually paid by the Company pursuant to Section 4.2 for the two years immediately prior to such restatement over (ii) the amounts that should have been paid pursuant to Section 4.2 for those two years based on the financial results reflected in such restated financial statements.

ARTICLE 7 MISCELLANEOUS

7.1 Indemnification. If Executive shall obtain any money judgment or otherwise prevail with respect to any litigation brought by Executive or the Company to enforce or interpret any provision contained herein, the Company, to the fullest extent permitted by

applicable law, hereby indemnifies Executive for his reasonable attorneys' fees, other reasonable professional fees and disbursements incurred in such litigation and hereby agrees (i) to reimburse Executive in full all such fees and disbursements and (ii) to pay prejudgment interest on any money judgment obtained by Executive from the earliest date that payment to him should have been made under this Agreement until such judgment shall have been paid in full, which interest shall be calculated, on a per-annum basis, at 2% plus the prime or base rate of interest as reported from time to time in the *Wall Street Journal*. All reimbursement obligations arising pursuant to this Section 7.1 shall remain in effect throughout the applicable statute of limitations applicable to any contractual claim under this Agreement. Any expenses eligible for reimbursement hereunder shall not affect the expenses eligible for reimbursement in any other calendar year. The right to reimbursement hereunder is not subject to liquidation or exchange for another benefit.

7.2 Payment Obligations Absolute. Except as specifically provided in Section 6.1(f), the Company's obligation to pay Executive the amounts and to make the arrangements provided in this Agreement shall be absolute and unconditional and shall not be affected by any circumstances, including any set-off, counterclaim, recoupment, defense or other right that CEP, the Company or any of their respective subsidiaries may have against him or anyone else. All amounts payable by the Company (including its subsidiaries) shall be paid without notice or demand. Executive shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and, except as provided in Section 5.2(c) or Section 5.3(e) hereof, the obtaining of any such other employment shall in no event effect any reduction of the Company's obligations to make (or cause to be made) the payments and arrangements required to be made under this Agreement.

7.3 Notices. For purposes of this Agreement, notices and all other communications provided in this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, or when sent by recognized overnight delivery service, addressed as follows:

If to the Company:

Constellation Energy Partners LLC
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002
Attention: Legal Department

If to Executive:

Stephen R. Brunner
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

7.4 Applicable Law. This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without reference to its choice of law provisions.

7.5 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

7.6 Severability. Any provision in this Agreement that is prohibited or unenforceable in any jurisdiction by reason of applicable law shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same agreement.

7.8 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes as may be required pursuant to any law or governmental regulation or ruling and all other normal employee deductions made with respect to the Company's employees generally.

7.9 Headings. The Article, Section and paragraph headings have been inserted herein for purposes of convenience and shall not be used for interpretive purposes.

7.10 Gender and Plurals. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely.

7.11 Assignment. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company, by merger or otherwise. This Agreement shall also be binding upon and inure to the benefit of Executive and his estate. If Executive shall die prior to full payment of amounts due pursuant to this Agreement, such amounts shall be payable pursuant to the terms of this Agreement to his estate. Executive shall not have any right to pledge, hypothecate, anticipate or assign this Agreement or the rights hereunder, except by will or the laws of descent and distribution.

7.12 Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to such subject matter. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof (including the Offer Letter) are hereby null and void and of no further force and effect, including all prior employment and severance agreements, if any, by and between the Company and Executive. Any modification of this Agreement will be effective only if it is in writing and signed by both parties.

7.13 CEP Agreements.

(a) Offer Letter Termination. CEP and Executive agree that the Offer Letter is hereby terminated and of no further force or effect.

(b) CEP Guaranty. CEP hereby unconditionally and irrevocably guarantees to Executive the prompt and full discharge by the Company of all of the Company's covenants, agreements, obligations and liabilities under this Agreement (the "Company Obligations") in accordance with the terms hereof. CEP hereby guarantees to Executive full and complete performance by the Company of each and all of the Obligations, including the due and punctual payment of all amounts that may become due and payable to Executive hereunder. CEP acknowledges and agrees that, with respect to all Company Obligations that are obligations to pay money, such guaranty shall be a guaranty of payment and not of collection. If the Company shall default in the due and punctual performance of any of the Company Obligations, including the full and timely payment of any amounts owed pursuant to the Company Obligations, CEP will forthwith perform or cause to be performed such Company Obligations and will forthwith make full payment of any amount due with respect thereto at its sole cost and expense and without notice or demand by Executive or the necessity of exhausting Executive's remedies against the Company in respect of such Company Obligations. Without limiting the generality of the remaining terms and conditions of this Agreement, the parties to this Agreement agree and acknowledge that nothing in this Section 7.13(b) shall hinder the Company in the full exercise of its right to terminate the employment of Executive pursuant to Section 3.2.

(c) CEP Not Employer. The Company, CEP and Executive each acknowledge and agree that CEP is a party to this Agreement solely for the limited purpose making the agreements set out in this Section 7.13 and nothing in this Agreement is intended to make CEP the employer of Executive for any purpose.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date.

THE COMPANY:

CEP SERVICES COMPANY, INC.

By: /s/ Stephen R. Brunner
Name: Stephen R. Brunner
Title: President, Chief Executive Officer and Chief Operating Officer

EXECUTIVE

/s/ Stephen R. Brunner
Stephen R. Brunner

CEP:

CONSTELLATION ENERGY PARTNERS LLC (solely for purposes of agreeing to Section 7.13 of this Agreement)

By: /s/ Stephen R. Brunner
Name: Stephen R. Brunner
Title: President, Chief Executive Officer and Chief Operating Officer

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this “Agreement”) is made by and between CEP Services Company, Inc., a Delaware corporation (the “Company”), Charles C. Ward (“Executive”) and, solely for the limited purpose set out in Section 7.13 of this Agreement, Constellation Energy Partners LLC, a Delaware limited liability company (“CEP”).

WHEREAS, the Company is a wholly owned subsidiary of CEP;

WHEREAS, pursuant to an offer letter by and between the Company and Executive, dated December 31, 2008 (the “Offer Letter”), Executive is employed by the Company as President, Chief Executive Officer and Chief Operating Officer and serves in those same offices for CEP, as directed by the Company; and

WHEREAS, the Company and Executive desire to provide the full terms and conditions of Executive’s employment by the Company;

WHEREAS, the Company has caused CEP to enter into each of the 2009 LTI Grant Agreement (defined below) and Inducement Award Agreement (defined below) contemporaneously with the execution of this Agreement;

WHEREAS, the Company, CEP and Executive intend for the Offer Letter to be fully superseded by the entry into each of this Agreement, the 2009 LTI Grant Agreement and the Inducement Award Agreement;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions.

(a) “2009 LTI Grant Agreement” means that certain Grant Agreement Relating to Notional Units—Executives, dated May 1, 2009, by and between CEP and Executive.

(b) “Affiliate” means, with respect to any natural person, firm, partnership, association, corporation, limited liability company, company, trust, entity, public body or government (a “Person”), any Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) as used in this definition means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. With respect to any natural person, the term “Affiliate” means (i) the spouse or children (including those by adoption) and siblings of such Person; and any trust whose primary beneficiary is such Person, such Person’s spouse, such Person’s siblings and/or one or more of such Person’s lineal descendants,

(ii) the legal representative or guardian of such Person or of any such immediate family member in the event such Person or any such immediate family member becomes mentally incompetent and (iii) any Person controlled by or under common control with any one or more of such Person and the Persons described in clauses (i) or (ii) preceding.

(c) “Annual Base Salary” means, as of a specified date, Executive’s annual base salary as of such date determined pursuant to Section 4.1.

(d) “Annual Compensation” means, as of particular date, an amount equal to:

(i) the Target-Level Bonus for the year in which such date falls; plus

(ii) the greater of:

(A) Executive’s Annual Base Salary at the annual rate in effect on the date of his Involuntary Termination;

(B) Executive’s Annual Base Salary at the annual rate in effect 180 days prior to the date of his Involuntary Termination; and

(C) Executive’s Annual Base Salary at the annual rate in effect immediately prior to a Change of Control if Executive’s employment shall be subject to an Involuntary Termination during the Change of Control Period.

(e) “Board” means the Board of Managers of CEP.

(f) “Cause” means Executive

(i) has engaged in gross negligence, gross incompetence or willful misconduct in the performance of his duties,

(ii) has failed to substantially perform the duties and services reasonably required by the Company; provided, that such failure continues for at least 30 days after Executive’s receipt of written notice of such failure from the Company,

(iii) has willfully engaged in conduct that is materially injurious to CEP or its subsidiaries (monetarily or otherwise),

(iv) has committed an act of fraud, embezzlement or willful breach of a fiduciary duty to the Company or CEP (including the unauthorized disclosure of confidential or proprietary material information of the Company or CEP) or

(v) has been convicted of, pled guilty to, or pleaded no contest to, a crime involving fraud, dishonesty or moral turpitude.

For purposes of this definition, “moral turpitude” means an act of baseness, vileness or depravity in the private and social duties which one owes to his fellow man.

(g) “CEG” means Constellation Energy Group, Inc., a Maryland corporation.

(h) “CEG Acquisition” means the consummation of a reorganization, merger, consolidation, statutory equity exchange or similar form of business transaction involving CEG (a “CEG Business Combination”), unless immediately following such CEG Business Combination: (i) more than 60% of the total voting power of (x) the organization resulting from such CEG Business Combination (the “CEG Surviving Organization”), or (y) if applicable, the ultimate parent organization that directly or indirectly has beneficial ownership of at least 95% of the voting securities eligible to elect managers or directors of the CEG Surviving Organization (the “CEG Parent Organization”), is represented by combined voting power of CEG’s then outstanding securities eligible to vote for the election of the CEG Board (the “CEG Voting Securities”) that were outstanding immediately prior to such CEG Business Combination (or, if applicable, is represented by equity interests into which such CEG Voting Securities were converted pursuant to such CEG Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such CEG Voting Securities among the holders thereof immediately prior to the CEG Business Combination, (ii) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the CEG Surviving Organization or the CEG Parent Organization), is or becomes the beneficial owner, directly or indirectly, of 25% or more (the “CEG Percentage”) of the total voting power of the outstanding voting securities eligible to elect managers or directors of the CEG Parent Organization (or, if there is no CEG Parent Organization, the CEG Surviving Organization) except where such person held the CEG Percentage of CEG Voting Securities immediately prior to the consummation of the CEG Business Combination and (iii) at least a majority of the members of the board of managers or directors of the CEG Parent Organization (or, if there is no CEG Parent Organization, the CEG Surviving Organization) following the consummation of the CEG Business Combination were members of the CEG Board at the time of the CEG Board’s approval of the execution of the initial agreement providing for such CEG Business Combination.

(i) “CEG Board” means the Board of Directors of CEG.

(j) “CEG Ownership Event” means the consummation of any transaction or other event whereby CEG or any of its Affiliates becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 49% or more of CEP’s then-outstanding Common Units.

(k) “Change of Control” shall be deemed to have occurred upon any one or more of the following events:

(i) Board Change.

(A) During any period of 24 consecutive months, individuals who, at the commencement of such period, constitute all of the Class B Managers (the “Incumbent Class B Managers”) cease for any reason to constitute at least a majority of the Class B Managers; provided, however, that any person becoming a Class B Manager subsequent to the commencement of such period, whose election or nomination for election was approved by a vote of at least two Incumbent Class B Managers then on the Board (either by a specific vote or by approval of the proxy statement of CEP in which such person is named as a nominee for Class B Manager, without written objection to such nomination) shall be an Incumbent Class B Manager; provided further, however, that no individual initially elected or nominated as a Class B Manager of CEP as a result of an actual or threatened election contest with respect to Managers or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be an Incumbent Class B Manager; or

(B) Excluding the circumstances described in Section 1.1(k)(i)(C), during any period of 24 consecutive months, individuals who, at the commencement of such period, constitute the Board (each, an “Incumbent Board Member”) cease for any reason to constitute at least a majority of the Board; provided, however, that any person becoming a Class B Manager subsequent to the commencement of such period, whose election or nomination for election was approved by a vote of at least two Incumbent Class B Managers then on the Board (either by a specific vote or by approval of the proxy statement of CEP in which such person is named as a nominee for Class B Manager, without written objection to such nomination) shall be an Incumbent Board Member; provided further, however, that no individual initially elected or nominated as a Class B Manager of CEP as a result of an actual or threatened election contest with respect to Managers or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be an Incumbent Class B Manager; or

(C) During the period of 24 consecutive months immediately following the occurrence of a Class A Event, individuals who, at the commencement of such period, constitute the Class A Managers and at least one Class B Manager cease for any reason to serve CEP in such capacities, whether by removal, resignation or otherwise;

(ii) Unit Acquisition. Any “person” (as such term is defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes a “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of CEP representing 25% or more of the combined voting power of CEP’s then outstanding securities eligible to vote for the election of the Board (the “CEP Voting Securities”); provided, however, that none of CEP or its Affiliates shall be

deemed such a person unless CEG or any of its Affiliates shall after the date of this Agreement become the beneficial owner, directly or indirectly, of CEP Voting Securities representing 33 1/3% or more of the CEP Voting Securities then outstanding; and provided further, however, that, except with respect to CEG or any of its Affiliates, the event described in this paragraph (ii) shall not be deemed to be a change in control by virtue of any of the following acquisitions (A) by CEP or any organization with respect to which CEP owns a majority of the outstanding equity interest or has the power to vote or direct the voting of sufficient securities to elect a majority of the Managers (or equivalent) (a "Subsidiary Company"), (B) by any employee benefit plan (or related trust) sponsored or maintained by CEP or any Subsidiary Company, (C) by any underwriter temporarily holding securities pursuant to an offering of such securities, (D) pursuant to a Non-Qualifying Transaction (as defined in paragraph (iii)), or (E) pursuant to any acquisition by Executive or any group of persons including Executive (or any entity controlled by Executive or any group of persons including Executive);

(iii) Business Combination. Consummation of a reorganization, merger, consolidation, statutory equity exchange or similar form of business transaction involving CEP or any Subsidiary Company (a "Business Combination"), unless immediately following such Business Combination: (A) more than 60% of the total voting power of (x) the organization resulting from such Business Combination (the "Surviving Organization"), or (y) if applicable, the ultimate parent organization that directly or indirectly has beneficial ownership of at least 95% of the voting securities eligible to elect managers or directors of the Surviving Organization (the "Parent Organization"), is represented by CEP Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by equity interests into which such CEP Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such CEP Voting Securities among the holders thereof immediately prior to the Business Combination, (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Organization or the Parent Organization), is or becomes the beneficial owner, directly or indirectly, of 25% or more (the "Applicable Percentage") of the total voting power of the outstanding voting securities eligible to elect managers or directors of the Parent Organization (or, if there is no Parent Organization, the Surviving Organization) except where such person held the Applicable Percentage of CEP Voting Securities immediately prior to the consummation of the Business Combination and (C) at least a majority of the members of the board of managers or directors of the Parent Organization (or, if there is no Parent Organization, the Surviving Organization) following the consummation of the Business Combination were Managers at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (any Business Combination that satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "Non-Qualifying Transaction");

(iv) Liquidation. The equity holders of CEP approve a plan of complete liquidation or dissolution of CEP; or

(v) Asset Sale. The consummation of a sale or disposition by CEP of all or substantially all of CEP's assets, other than a sale or disposition where the holders of CEP Voting Securities outstanding immediately prior thereto hold securities immediately thereafter that represent more than 60% of the combined voting power of the voting securities of the acquiror, or parent of the acquiror, of such assets.

Notwithstanding the foregoing, except with respect to CEG or any of its Affiliates, a change in control of CEP shall not be deemed to occur solely because any person acquires beneficial ownership of more than 25% of CEP Voting Securities as a result of the acquisition of CEP Voting Securities by CEP that reduces the number of CEP Voting Securities outstanding; provided, however, that if after such acquisition by CEP such person becomes the beneficial owner of additional CEP Voting Securities that increases the percentage of outstanding CEP Voting Securities beneficially owned by such person, a change in control of CEP shall then occur.

(l) "Class A Event" means the occurrence of any event through which or as a consequence of which (i) CEG shall cease to beneficially own, directly or indirectly, at least 50% of the Class A Units of CEP that are then outstanding (including where CEG or any of its direct or indirect subsidiaries (individually, a "CEG Entity") enters into a total return swap or any other contractual arrangement whereby a CEG Entity transfers any economic interest in at least 50% of the Class A Units of CEP that are then outstanding); (ii) a CEG Acquisition occurs; or (iii) CEG shall cease to have the right, directly or indirectly, to direct the appointment of all Class A Managers pursuant to Section 11.8(d) of the LLC Agreement or otherwise (including where any CEG Entity enters into any contractual arrangement whereby a CEG Entity grants any Person other than a wholly owned CEG Entity the right or option, directly or indirectly, to direct the appointment of any number of the Class A Managers pursuant to Section 11.8(d) of the LLC Agreement or otherwise).

(m) "Change of Control Period" means, with respect to a Change of Control, the two-year period beginning on the date upon which such Change of Control occurs.

(n) "Code" means the Internal Revenue Code of 1986, as amended.

(o) "Compensation Committee" means the Compensation Committee of the Board.

(p) "Disability" means that, as a result of Executive's incapacity due to physical or mental illness, (i) he shall have been absent from the full-time performance of his duties for six consecutive months, (ii) the Board reasonably determines that such incapacity is expected to be suffered for a period of at least 12 consecutive months from the date such absence first occurred and (iii) he shall not have returned to full-time performance of his duties within 30 days after written notice of disability is given to

Executive or his representative by the Company (a “Disability Notice”); provided, however, that such Disability Notice may not be given prior to 30 days before the expiration of such six-month period.

(q) “Effective Date” means May 1, 2009.

(r) “Enhanced Severance Amount” means an amount equal to two times Executive’s Annual Compensation.

(s) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(t) “Event of Good Reason” means:

(i) The occurrence, prior to a Change of Control or after the expiration of a Change of Control Period, of any one or more of the following:

(A) a material reduction in the nature or scope of Executive’s authority or duties from those previously applicable to him; provided, however, that, if Executive holds more than one office, the removal from any offices other than the most senior shall not constitute an Event of Good Reason;

(B) a reduction in Executive’s Annual Base Salary, except with Executive’s prior written consent;

(C) a diminution in Executive’s eligibility to participate in bonus, stock option, incentive award and other compensation plans that provide opportunities to receive compensation that are substantially similar to the opportunities provided by CEP or the Company to executives with comparable duties (subject, in each case to CEP and Executive performance, as applicable);

(D) a change in the location of Executive’s principal place of employment by the Company by more than 60 miles from the location where he was principally employed; provided, however, that such change in the location of Executive’s principal place of employment shall not constitute an Event of Good Reason if Executive consents to such decision to relocate prior to such change in location.

(ii) The occurrence, within a Change of Control Period, of any one or more of the following (except with Executive’s prior written consent):

(A) a material reduction in the nature or scope of Executive’s authority or duties from those applicable to him immediately prior to the date on which a Change of Control occurs;

(B) a reduction in Executive's Annual Base Salary from that provided to him immediately prior to the date on which a Change of Control occurs;

(C) a diminution in Executive's eligibility to participate in bonus, stock option, incentive award and other compensation plans that provide opportunities to receive compensation that are the greater of (A) the opportunities provided by CEP or the Company and any of its subsidiaries for executives with comparable duties or (B) the opportunities under any such plans under which he was participating immediately prior to the date on which a Change of Control occurs;

(D) a material diminution in employee benefits (including medical, dental, life insurance and long-term disability plans) and perquisites applicable to Executive from the greater of (A) the employee benefits and perquisites provided by CEP or the Company and any of its subsidiaries to executives with comparable duties or (B) the employee benefits and perquisites to which Executive was entitled immediately prior to the date on which a Change of Control occurs; or

(E) a change in the location of Executive's principal place of employment by the Company by more than 60 miles from the location where he was principally employed immediately prior to the date on which a Change of Control occurs; provided, however, that such change in the location of Executive's principal place of employment shall not constitute an Event of Good Reason if Executive consents to the decision to relocate prior to such change in location.

(u) "Inducement Award Agreement" means that certain Inducement Award Agreement, dated May 1, 2009, by and between CEP and Executive.

(v) "Involuntary Termination" means any termination of Executive's employment with the Company that:

(i) does not result from a resignation by Executive (other than a resignation pursuant to clause (ii) of this Section 1.1(v));

(ii) results from the Company's delivery of a notice pursuant to Section 3.1 that no automatic extension shall occur upon the Initial Expiration Date; or

(iii) results from a resignation by Executive on or before the date that is 60 days after the occurrence of an Event of Good Reason;

provided, however, that the term "Involuntary Termination" shall not include a termination for Cause or any termination as a result of death or Disability.

(w) “LLC Agreement” means the Second Amended and Restated Operating Agreement of Constellation Energy Partners LLC, dated as of November 20, 2006, as amended, and as may be further amended from time to time.

(x) “Manager” means a member of the Board.

(y) “Omnibus Incentive Plan” means (i) Constellation Energy Partners LLC Long-Term Incentive Plan, (ii) the Constellation Energy Partners LLC 2009 Omnibus Incentive Plan and (iii) any successor plan adopted by CEP or any of its Affiliates for the benefit of the employees of CEP or any of its Affiliates.

(z) “Performance Award” has the meaning given such term in the Omnibus Incentive Plan.

(aa) “Severance Amount” means an amount equal to one and one-half times Executive’s Annual Compensation; provided, however, that, at any time after December 31, 2009, such amount shall include a Target-Level Bonus only if a bonus was paid to or earned by Executive for the most recently completed fiscal year of CEP.

(bb) “Severance Period” means the period commencing on the date of Involuntary Termination and continuing for 12 months thereafter.

(cc) “Special Termination Option” means Executive’s right to terminate his employment hereunder within one year of the first occurrence of a CEG Ownership Event.

(dd) “Target-Based Grant” means an award under the Omnibus Incentive Plan for which eligibility or pay-out is determined by reference to the achievement of a Performance Goal, as such term is defined in the Omnibus Incentive Plan.

(ee) “Target-Level Bonus” means that bonus required or indicated under a Performance Award or other Target-Based Grant under the Omnibus Incentive Plan or other bonus arrangement of CEP or the Company, in each case as if all target performance goals were achieved.

1.2 Interpretations.

(a) General. In this Agreement, unless a clear contrary intention appears, (a) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision, (b) reference to any Article or Section means such Article or Section hereof, (c) the words “including” (and with correlative meaning “include”) means including, without limiting the generality of any description preceding such term and (d) where any provision of this Agreement refers to action to be taken by either party, or that such party is prohibited from taking an action, such provision shall be applicable whether such action is taken directly or indirectly by such party.

(b) Comparable Positions. For purposes of this Agreement, the offices of chief financial officer or general counsel shall be deemed to have comparable duties to those of Executive.

ARTICLE 2 EMPLOYMENT AND DUTIES

2.1 Employment. Effective as of the Effective Date and continuing for the period of time set forth in Section 3.1 of this Agreement (the "Term"), Executive's employment by the Company shall be subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date during the Term, the Company shall employ Executive in the position of President, Chief Executive Officer and Chief Operating Officer of CEP and President, Chief Executive Officer and Chief Operating Officer of the Company.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently the duties and services appertaining to such offices, as well as such additional duties and services appropriate to such offices that CEP or the Company may reasonably designate from time to time. Executive's employment shall also be subject to the policies maintained and established by CEP or the Company that are of general applicability to CEP's or the Company's employees, as such policies may be amended from time to time.

2.4 Other Interests. Executive agrees, during the period of such employment by the Company, to devote substantially all of Executive's business time, energy and efforts to the business and affairs of CEP and the Company.

2.5 Duty of Loyalty. Executive acknowledges and agrees that Executive owes a fiduciary duty of loyalty to act at all times in the best interests of CEP and the Company. In keeping with such duty, Executive shall make full disclosure to CEP and the Company of all business opportunities pertaining to CEP's or the Company's businesses and shall not appropriate for Executive's own benefit business opportunities concerning CEP's or the Company's businesses.

2.6 Disclosure Representation. Executive represents to the Company that no event of the type referred to in Section 1.1(f)(v) has occurred with respect to Executive other than as has been disclosed to the Board.

ARTICLE 3 TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless Executive's employment hereunder is sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the third anniversary of the Effective Date (the "Initial Expiration Date"); provided, however, that beginning on the Initial Expiration Date, and on each anniversary of the Initial Expiration Date thereafter, if Executive's employment hereunder has not been terminated pursuant to Section 3.2 or Section 3.3, then said term of employment shall automatically be extended for an additional one-year period unless on or before the date that is 180 days prior to the Initial Expiration Date or any anniversary thereof either party shall give written notice to the other that no such automatic extension shall occur.

3.2 The Company's Right To Terminate. Notwithstanding the provisions of Section 3.1, the Company shall have the right to terminate Executive's employment under this Agreement at any time for any of the following reasons:

- (a) upon Executive's death;
- (b) upon Executive's Disability;
- (c) for Cause; or
- (d) for any other reason whatsoever, in the sole discretion of the Board.

3.3 Executive's Right To Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate his employment under this Agreement for any of the following reasons:

- (a) as a result of an Event of Good Reason; provided, however, that prior to Executive's termination as a result of an Event of Good Reason, Executive must give written notice to the Company of the specific occurrence that resulted in the Event of Good Reason and such occurrence must remain uncorrected for 30 calendar days following such written notice; or
- (b) at any time for any other reason whatsoever, in the sole discretion of Executive.

3.4 Notice of Termination. If the Company desires to terminate Executive's employment hereunder at any time prior to expiration of the Term, it shall do so by giving written notice to Executive that it has elected to terminate Executive's employment hereunder and stating the effective date and reason for such termination; provided, however, that no such action shall alter or amend any other provisions of this Agreement or rights arising under this Agreement. If Executive desires to terminate his employment hereunder at any time prior to expiration of the Term, he shall do so by giving a 60-day written notice to the Company that he has elected to terminate his employment hereunder and stating the effective date and reason for such termination; provided, however, that no such action shall alter or amend any other provisions of this Agreement or rights arising under this Agreement.

3.5 Deemed Resignations. Any termination of Executive's employment shall constitute an automatic resignation of Executive as an officer and manager or director, as applicable, (if applicable) of CEP, the Company and each of its Affiliates, unless Executive owns at least 10% of the issued and outstanding CEP Voting Securities, in which case such resignation shall not be deemed an automatic resignation of Executive from the Board, and from the board of directors or similar governing body of any corporation, limited liability company or other entity in which CEP holds an equity interest and with respect to which board or similar governing body Executive serves as CEP's designee or other representative.

ARTICLE 4
COMPENSATION AND BENEFITS

4.1 Base Salary. During the Term, Executive shall receive an initial Annual Base Salary of \$225,000. Executive's Annual Base Salary shall be reviewed by the Compensation Committee on an annual basis, and, in the sole discretion of the Compensation Committee, such Annual Base Salary may be increased, effective as of any date determined by the Compensation Committee. Executive's Annual Base Salary shall be paid in equal installments in accordance with the Company's standard policy regarding payment of compensation to executives but no less frequently than monthly.

4.2 Bonuses.

(a) General. During the Term, the Company shall cause CEP to make yearly grants to Executive of a Performance Award under the Omnibus Incentive Plan; provided, however, that all determinations relating to Executive's participation, including those relating to the performance goals applicable to Executive and Executive's level of participation and payout opportunity, shall be made by the Compensation Committee in its sole discretion.

(b) 2009 Award. The Company shall cause CEP to grant Executive a Performance Award for 2009 with such Performance Metrics (as such term is defined in the Omnibus Incentive Plan) determined by the Committee in its good faith discretion (the "2009 Award"). The 2009 Award shall pay in cash 75% of Executive's initial Annual Base Salary for the achievement of Target-Level Performance and up to 150% of Executive's initial Annual Base Salary for superior performance, in each case as such performance is determined by the Committee in its good faith discretion; provided, however, that, if the Constellation Energy Partners LLC 2009 Omnibus Incentive Compensation Plan has not been approved by the common unitholders of the Company prior to December 31, 2009, the Company shall pay Executive an amount in cash that is equivalent to the amount that would have been payable in respect of the 2009 Award, which payment shall be made contemporaneously with the payment by the Company of bonuses to its other employees, but in no event later than March 31, 2010.

(c) Inducement Bonus. The Company shall pay Executive an aggregate cash bonus of \$337,500 (the "Inducement Cash Bonus"), \$168,750 of which is payable on January 1, 2010 and \$168,750 of which is payable on January 1, 2011.

4.3 Long-Term Incentive. During the Term, the Company shall cause CEP to make yearly long-term incentive grants to Executive under the Omnibus Incentive Plan; provided, however, that all determinations relating to Executive's participation, including those relating to the performance goals applicable to Executive and Executive's level of participation and payout opportunity, shall be made by the Compensation Committee in its sole discretion.

4.4 Life Insurance. To the extent such insurance is available to the Company on commercially reasonable terms, the Company shall obtain, and thereafter maintain at all times prior to the termination of Executive's employment hereunder pursuant to Article 3, a term life

insurance policy with a responsible and reputable insurance company on the life of Executive, in the face amount equal to Executive's then-current Annual Base Salary, which policy shall name any party designated by Executive as the beneficiary thereunder.

4.5 Other Perquisites. During Executive's employment hereunder, Executive shall be afforded the following benefits as incidences of his employment:

(a) Business and Entertainment Expenses. Subject to the Company's standard policies and procedures with respect to expense reimbursement as applied to its employees generally, the Company shall no less frequently than monthly reimburse Executive for, or pay on behalf of Executive, reasonable and appropriate expenses incurred by Executive for business related purposes, including dues and fees to industry and professional organizations and costs of entertainment and business development.

(b) Vacation. During his employment hereunder, Executive shall be entitled each calendar year to such number of days of paid vacation and to all holidays, in each case as provided to employees of the Company generally.

(c) Other Company Benefits. Executive and, to the extent applicable, Executive's spouse, dependents and beneficiaries, shall be allowed to participate in all benefits, plans and programs, including improvements or modifications of the same, that are now, or may hereafter be, available to other executives or employees of the Company. Such benefits, plans and programs shall include any profit sharing plan, thrift plan, health insurance or health care plan, life insurance, disability insurance, pension plan, supplemental retirement plan, vacation and sick leave plan, and the like that may be maintained by the Company. The Company shall not, however, by reason of this paragraph be obligated to institute, maintain or refrain from changing, amending or discontinuing any such benefit plan or program, as long as such changes are similarly applicable to employees generally.

ARTICLE 5 EFFECT OF TERMINATION ON COMPENSATION; ADDITIONAL PAYMENTS

5.1 Termination Other Than an Involuntary Termination.

(a) Except as provided in Section 5.1(b), if Executive's employment hereunder shall terminate upon expiration of the Term because either party has provided the notice contemplated in Section 3.1 or for any other reason except those described in Section 5.2 and Section 5.3, then all compensation and all benefits to Executive under this Agreement shall continue to be provided until the date of such termination of employment, and such compensation and benefits shall terminate contemporaneously with such termination of employment.

(b) If Executive shall die or the Company shall have delivered a Disability Notice, then all compensation and all benefits to Executive under this Agreement shall continue to be provided until the date of such death or the date on which the Disability Notice is delivered; provided, however, that (i) the award of Restricted Units made

pursuant to the Inducement Award Agreement and all awards under the Omnibus Incentive Plan (including the award made pursuant to the 2009 LTI Grant Agreement) shall immediately accelerate, if then unvested, and vest in Executive or the legal representative of his estate and the Company shall pay to Executive or the legal representative of his estate any part of the Inducement Cash Bonus not already paid to Executive; and (ii) for the year in which Executive's death or the Company's delivery of a Disability Notice, as applicable, occurs, the Company shall pay to Executive or the legal representative of his estate the applicable Target-Level Bonus, pro rated for the number of days elapsed in such year at the time of such death or delivery, as applicable.

5.2 Involuntary Termination Other Than During a Change of Control Period. If Executive's employment hereunder shall be subject to an Involuntary Termination that occurs prior to a Change of Control or after the expiration of a Change of Control Period, then the Company shall, subject to Section 5.7, pay to Executive, as additional compensation for services rendered to the Company (including CEP and its subsidiaries), the following amounts and take the following actions after the last day of Executive's employment with the Company:

(a) Pay Executive a lump-sum cash payment in an amount equal to the Severance Amount plus any part of the Inducement Cash Bonus not already paid to Executive, which lump-sum cash payment shall be made on the first day the timing of which would not cause any part of the Severance Amount or such part of the Inducement Cash Bonus to be subject to additional taxes or interest under Section 409A of the Code.

(b) Cause (i) the Restricted Units and related Distribution Credits granted pursuant to the Inducement Award Agreement and (ii) any and all outstanding options and other non-vested service-based awards under the Omnibus Incentive Plan (including the Notional Units and related Distribution Credits granted pursuant to the 2009 LTI Grant Agreement), that are held by Executive, to become immediately vested, earned and exercisable in full and cause Executive's accrued benefits under any and all nonqualified deferred compensation plans sponsored by CEP or the Company to become immediately nonforfeitable.

(c) Cause Executive and those of his dependents (including Executive's spouse) who were covered under the Company's medical and dental benefit plans on the day prior to Executive's Involuntary Termination to continue to be covered under such plans (or to receive equivalent benefits) throughout the Severance Period at no greater cost to Executive than that applicable to a similarly situated Company employee who has not terminated employment; provided, however, that

(i) such coverage shall terminate if and to the extent Executive becomes eligible to receive medical and dental coverage from a subsequent employer (and any such eligibility shall be promptly reported to the Company by Executive),

(ii) if Executive (and/or Executive's spouse) would have been entitled to retiree medical and/or dental coverage under the Company's plans had Executive voluntarily retired on the date of such Involuntary Termination, then such coverages shall be continued as provided under such plans, and

(iii) such coverage to Executive (or the receipt of equivalent benefits) shall be provided under one or more insurance policies so that reimbursement or payment of benefits to Executive thereunder shall not result in taxable income to Executive (or, if any such reimbursement or payment of benefits is taxable to Executive, then the Company shall pay to Executive an amount (the “tax gross-up payment”) equal to an amount as is required to hold Executive harmless from any additional tax liability (including liability under Section 409A of the Code) relating to such reimbursement or payment). Any such tax gross-up payment shall be made as soon as practicable after Executive remits the taxes, but in all events within 30 days of such remittance.

The Company shall pay any premiums arising from such coverage on a monthly basis.

5.3 Involuntary Termination During a Change of Control Period; Special Termination Option. If (X) Executive’s employment hereunder shall be subject to an Involuntary Termination (i) following a Change of Control and (ii) during a Change of Control Period or (Y) Executive shall have delivered notice to the Company of his exercise of the Special Termination Option within one year following the first occurrence of a CEG Ownership Event, then the Company shall, subject to Section 5.7, pay to Executive, as additional compensation for services rendered to the Company (including CEP and its subsidiaries), the following amounts and take the following actions after the last day of Executive’s employment with the Company:

(a) Pay Executive a lump-sum cash payment in an amount equal to the Enhanced Severance Amount plus any part of the Inducement Cash Bonus not already paid to Executive, which lump-sum cash payment shall be made on the first day the timing of which would not cause any part of the Enhanced Severance Amount or such part of the Inducement Cash Bonus to be subject to additional taxes or interest under Section 409A of the Code.

(b) Pay Executive a lump-sum cash payment in respect of the Performance Award under the Omnibus Incentive Plan for the then-current year, which amount (the “Current-Year PA Payment”) shall be paid out as if Target-Level Performance will have been achieved for such year; provided, however, that the Current-Year PA Payment shall be prorated based on the number of whole or partial months that have occurred as of the date of such Involuntary Termination. The Current-Year PA Payment shall be made on the first day the timing of which would not cause any part of such payment to be subject to additional taxes or interest under Section 409A of the Code.

(c) Pay Executive a lump-sum cash payment under the Omnibus Incentive Plan for any Target-Based Grants for the then-current year (not including any Performance Awards), which amount (the “Other TBG Payment”) shall be paid out as if Target-Level Performance will be achieved for such year; provided, however, that the Other TBG Payment shall be prorated based on the number of whole or partial months that have occurred as of the date of such Involuntary Termination. The Other TBG

Payment shall be made on the first day the timing of which would not cause any part of such payment to be subject to additional taxes or interest under Section 409A of the Code.

(d) Cause (i) the Restricted Units and related Distribution Credits granted pursuant to the Inducement Award Agreement and (ii) any and all outstanding options and other non-vested service-based awards under the Omnibus Incentive Plan (including the Notional Units and related Distribution Credits granted pursuant to the 2009 LTI Grant Agreement), that are held by Executive, to become immediately vested, earned and exercisable in full and cause Executive's accrued benefits under any and all nonqualified deferred compensation plans sponsored by CEP or the Company to become immediately nonforfeitable.

(e) Cause Executive and those of his dependents (including Executive's spouse) who were covered under the Company's medical and dental benefit plans on the day prior to Executive's Involuntary Termination to continue to be covered under such plans (or to receive equivalent benefits) throughout the Severance Period at no greater cost to Executive than that applicable to a similarly situated Company employee who has not terminated employment; provided, however, that

(i) such coverage shall terminate if and to the extent Executive becomes eligible to receive medical and dental coverage from a subsequent employer (and any such eligibility shall be promptly reported to the Company by Executive),

(ii) if Executive (and/or Executive's spouse) would have been entitled to retiree medical and/or dental coverage under the Company's plans had Executive voluntarily retired on the date of such Involuntary Termination, then such coverages shall be continued as provided under such plans, and

(iii) such coverage to Executive (or the receipt of equivalent benefits) shall be provided under one or more insurance policies so that reimbursement or payment of benefits to Executive thereunder shall not result in taxable income to Executive.

The Company shall pay any premiums arising from such coverage on a monthly basis.

(f) Should any amount paid or benefit delivered pursuant to this Section 5.3 result in an excise tax payable by Executive, the Company shall pay to Executive an amount (the "tax gross-up payment") as is required to hold Executive harmless from such excise tax and any additional tax liability arising as a result of any part of the tax gross-up payment. Any such tax gross-up payment shall be made as soon as practicable after Executive remits the taxes, but in all events within 30 days of such remittance.

5.4 Interest on Late Payments. If any payment provided for in Section 5.1, Section 5.2 or Section 5.3 hereof is not made when due, then the Company shall pay to Executive interest on the amount payable from the date that such payment should have been made under such Section until such payment is made, which interest shall be calculated, on a

per-annum basis, at 2% plus the prime or base rate of interest as reported from time to time in the *Wall Street Journal*, and shall further hold Executive harmless from any liability under Section 409A of the Code.

5.5 Liquidated Damages. In light of the difficulties in estimating the damages for an early termination of Executive's employment under this Agreement, the Company and Executive hereby agree that the payments, if any, to be received by Executive pursuant to this Article 5 shall be received by Executive as liquidated damages.

5.6 Other Benefits. This Agreement governs the rights and obligations of Executive and the Company with respect to Executive's base salary and certain perquisites of employment. Except as expressly provided herein, Executive's rights and obligations both during the term of his employment and thereafter with respect to unit options, restricted units, incentive and deferred compensation, life insurance policies insuring the life of Executive and other benefits under the plans and programs maintained by the Company shall be governed by the separate agreements, plans and other documents and instruments governing such matters.

5.7 Release. As a condition to the Company's obligations arising under Section 5.2 and Section 5.3, Executive shall first execute and deliver to the Company a release, in the form reasonably established by the Compensation Committee, releasing the Company, CEP and their respective Affiliates, officers, managers, directors, employees and agents, from any and all claims and from any and all causes of action of any kind or character, including all claims and causes of action arising out of Executive's employment hereunder or the termination of such employment. The performance of the Company's obligations under Section 5.2 and Section 5.3 and the receipt of the severance benefits provided thereunder by Executive shall constitute full settlement of all such claims and causes of action. Executive shall not be under any duty or obligation to seek or accept other employment following a termination of employment pursuant to which severance benefits under Section 5.2 and Section 5.3 are owing and any amounts due Executive pursuant to Section 5.2 and Section 5.3 shall not be reduced or suspended if Executive accepts subsequent employment or earns any amounts as a self-employed individual. Executive's rights under Section 5.2 and Section 5.3 are Executive's sole and exclusive rights against the Company and any of its Affiliates and the Company's and its Affiliates' sole and exclusive liability to Executive under, by reason of or related to this Agreement, whether in contract, tort or otherwise, for the termination of his employment by the Company. Nothing contained in this Section 5.7 shall be construed to be a waiver by Executive of any benefits accrued for or due Executive under any employee benefit plan (as such term is defined in the Employees' Retirement Income Security Act of 1974, as amended) maintained by the Company, CEP or any of their respective subsidiaries except that Executive shall not be entitled to any severance benefits pursuant to any severance plan or program of the Company, CEP or any of their respective subsidiaries.

ARTICLE 6
OTHER AGREEMENTS

6.1 Protection of Confidential Information.

(a) Disclosure to and Property of CEP or the Company. All information, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed or acquired by Executive, individually or in conjunction with others, during the period of Executive's employment by the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) that relate to CEP's or the Company's business, trade secrets, products or services (including all such information relating to corporate opportunities, product specification, compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within a customer's organizations or within the organization of acquisition prospects, marketing and merchandising techniques, business plans, computer software or programs, computer software and database technologies, prospective names and marks) (collectively, the "Confidential Information") shall be disclosed to CEP or the Company and are and shall be the sole and exclusive property of the Company. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "Work Product") are and shall be the sole and exclusive property of the Company. Upon Executive's termination of employment hereunder, for any reason, Executive shall promptly deliver such Confidential Information and Work Product, and all copies thereof, to the Company.

(b) Disclosure to Executive. The Company has and will disclose to Executive, or place Executive in a position to have access to or develop, Confidential Information and Work Product of CEP or the Company; and/or has and will entrust Executive with business opportunities of CEP or the Company; and/or has and will place Executive in a position to develop business goodwill on behalf of CEP or the Company. Executive agrees to preserve and protect the confidentiality of all Confidential Information or Work Product.

(c) No Unauthorized Use or Disclosure. Executive agrees that he will not, at any time during or after Executive's employment hereunder, make any unauthorized disclosure of, and will prevent the removal from CEP's or the Company's premises of, Confidential Information or Work Product, or make any use thereof, except in the carrying out of Executive's responsibilities during the course of Executive's employment hereunder. Executive shall use commercially reasonable efforts to cause all persons or entities to whom any Confidential Information shall be disclosed by him under this Agreement to observe the terms and conditions set forth herein as though each such

person or entity was bound hereby. Executive shall have no obligation under this Agreement to keep confidential any Confidential Information if and to the extent that disclosure thereof is specifically required by law; provided, however, that in the event disclosure is required by applicable law, Executive shall provide the Company with prompt notice of such requirement prior to making any such disclosure so that the Company may seek an appropriate protective order. At the request of the Company at any time, Executive agrees to deliver to the Company all Confidential Information that he may possess or control. Executive agrees that all Confidential Information (whether now or hereafter existing) conceived, discovered or made by him during the period of Executive's employment hereunder exclusively belongs to the Company (and not to Executive), and Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. Affiliates of the Company, shall be third-party beneficiaries of Executive's obligations under this Section 6.1. As a result of Executive's employment hereunder, Executive may also from time to time have access to, or knowledge of, confidential information or work product of third parties, such as customers, suppliers, partners, joint venturers and the like, of CEP or the Company. Executive also agrees to preserve and protect the confidentiality of such third-party confidential information and work product to the same extent, and on the same basis, as the Confidential Information and Work Product.

(d) Ownership by the Company. If, during Executive's employment hereunder, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, computer programs, e-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures or the like) relating to CEP's or the Company's business, products or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on CEP's or the Company's premises or otherwise), including any Work Product, the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive's employment; or, if the work is not prepared by Executive within the scope of Executive's employment but is specially ordered by the Company as a contribution to a collective work, as a part of an audiovisual work, as a translation, as a supplementary work, as a compilation or as an instructional text, then the work shall be considered to be work made-for-hire, and the Company shall be the author of the work. If such work is neither prepared by Executive within the scope of Executive's employment nor a work specially ordered that is deemed to be a work made-for-hire, then Executive hereby agrees to assign, and by these presents does assign, to the Company all of Executive's worldwide right, title and interest in and to such work and all rights of copyright therein.

(e) Assistance By Executive. During the period of Executive's employment hereunder and thereafter, Executive shall reasonably assist the Company and its nominee, at any time, in (a) the protection of the Company's worldwide right, title and interest in and to Work Product, (b) the execution of all formal assignment documents requested by the Company or its nominee and (c) the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries.

(f) Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Section 6.1 by Executive, and the Company shall be entitled to enforce the provisions of this Section 6.1 by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 6.1 but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and his agents.

6.2 Non-Disparagement. Except as required by law, for a period of one year immediately following any termination of Executive's employment hereunder (a) Executive agrees to refrain from making any statement disparaging CEP or the Company, any officer, manager, employee or other service provider for CEP or the Company, or any product or service offered by CEP, the Company or any of their respective Affiliates; and (b) the Company agrees to refrain from making any statement disparaging Executive.

6.3 Non-Solicitation. For a period of one year immediately following any termination of Executive's employment hereunder, Executive shall not directly or indirectly solicit, induce, recruit, encourage or otherwise endeavor to cause or attempt to cause any employee or consultant of CEP or the Company to terminate their relationship with CEP or the Company, as the case may be; provided, however, that nothing in this Section 6.3 shall prohibit the use of a general solicitation in a publication or by other means.

6.4 Claw-back.

(a) Post-Termination Payments. Executive agrees to promptly repay to the Company all payments made pursuant to any of Section 5.2, Section 5.3, Section 5.4 or Section 5.5 if there has been a final and non-appealable judgment entered by a court of competent jurisdiction that found willful misconduct by Executive in the performance of his duties prior to the termination of his employment hereunder.

(b) Pre-Termination Bonuses. Executive agrees to promptly repay to the Company any Overpayment in the event of any restatement of CEP's financial statements that are filed with the Securities and Exchange Commission. For purposes of this Section 6.4(b), "Overpayment" means the excess, if any, of (i) the amounts actually paid by the Company pursuant to Section 4.2 for the two years immediately prior to such restatement over (ii) the amounts that should have been paid pursuant to Section 4.2 for those two years based on the financial results reflected in such restated financial statements.

ARTICLE 7 MISCELLANEOUS

7.1 Indemnification. If Executive shall obtain any money judgment or otherwise prevail with respect to any litigation brought by Executive or the Company to enforce or interpret any provision contained herein, the Company, to the fullest extent permitted by

applicable law, hereby indemnifies Executive for his reasonable attorneys' fees, other reasonable professional fees and disbursements incurred in such litigation and hereby agrees (i) to reimburse Executive in full all such fees and disbursements and (ii) to pay prejudgment interest on any money judgment obtained by Executive from the earliest date that payment to him should have been made under this Agreement until such judgment shall have been paid in full, which interest shall be calculated, on a per-annum basis, at 2% plus the prime or base rate of interest as reported from time to time in the *Wall Street Journal*. All reimbursement obligations arising pursuant to this Section 7.1 shall remain in effect throughout the applicable statute of limitations applicable to any contractual claim under this Agreement. Any expenses eligible for reimbursement hereunder shall not affect the expenses eligible for reimbursement in any other calendar year. The right to reimbursement hereunder is not subject to liquidation or exchange for another benefit.

7.2 Payment Obligations Absolute. Except as specifically provided in Section 6.1(f), the Company's obligation to pay Executive the amounts and to make the arrangements provided in this Agreement shall be absolute and unconditional and shall not be affected by any circumstances, including any set-off, counterclaim, recoupment, defense or other right that CEP, the Company or any of their respective subsidiaries may have against him or anyone else. All amounts payable by the Company (including its subsidiaries) shall be paid without notice or demand. Executive shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and, except as provided in Section 5.2(c) or Section 5.3(e) hereof, the obtaining of any such other employment shall in no event effect any reduction of the Company's obligations to make (or cause to be made) the payments and arrangements required to be made under this Agreement.

7.3 Notices. For purposes of this Agreement, notices and all other communications provided in this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, or when sent by recognized overnight delivery service, addressed as follows:

If to the Company:

Constellation Energy Partners LLC
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002
Attention: Legal Department

If to Executive:

Charles C. Ward
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

7.4 Applicable Law. This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without reference to its choice of law provisions.

7.5 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

7.6 Severability. Any provision in this Agreement that is prohibited or unenforceable in any jurisdiction by reason of applicable law shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same agreement.

7.8 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes as may be required pursuant to any law or governmental regulation or ruling and all other normal employee deductions made with respect to the Company's employees generally.

7.9 Headings. The Article, Section and paragraph headings have been inserted herein for purposes of convenience and shall not be used for interpretive purposes.

7.10 Gender and Plurals. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely.

7.11 Assignment. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company, by merger or otherwise. This Agreement shall also be binding upon and inure to the benefit of Executive and his estate. If Executive shall die prior to full payment of amounts due pursuant to this Agreement, such amounts shall be payable pursuant to the terms of this Agreement to his estate. Executive shall not have any right to pledge, hypothecate, anticipate or assign this Agreement or the rights hereunder, except by will or the laws of descent and distribution.

7.12 Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to such subject matter. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof (including the Offer Letter) are hereby null and void and of no further force and effect, including all prior employment and severance agreements, if any, by and between the Company and Executive. Any modification of this Agreement will be effective only if it is in writing and signed by both parties.

7.13 CEP Agreements.

(a) Offer Letter Termination. CEP and Executive agree that the Offer Letter is hereby terminated and of no further force or effect.

(b) CEP Guaranty. CEP hereby unconditionally and irrevocably guarantees to Executive the prompt and full discharge by the Company of all of the Company's covenants, agreements, obligations and liabilities under this Agreement (the "Company Obligations") in accordance with the terms hereof. CEP hereby guarantees to Executive full and complete performance by the Company of each and all of the Obligations, including the due and punctual payment of all amounts that may become due and payable to Executive hereunder. CEP acknowledges and agrees that, with respect to all Company Obligations that are obligations to pay money, such guaranty shall be a guaranty of payment and not of collection. If the Company shall default in the due and punctual performance of any of the Company Obligations, including the full and timely payment of any amounts owed pursuant to the Company Obligations, CEP will forthwith perform or cause to be performed such Company Obligations and will forthwith make full payment of any amount due with respect thereto at its sole cost and expense and without notice or demand by Executive or the necessity of exhausting Executive's remedies against the Company in respect of such Company Obligations. Without limiting the generality of the remaining terms and conditions of this Agreement, the parties to this Agreement agree and acknowledge that nothing in this Section 7.13(b) shall hinder the Company in the full exercise of its right to terminate the employment of Executive pursuant to Section 3.2.

(c) CEP Not Employer. The Company, CEP and Executive each acknowledge and agree that CEP is a party to this Agreement solely for the limited purpose making the agreements set out in this Section 7.13 and nothing in this Agreement is intended to make CEP the employer of Executive for any purpose.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date.

THE COMPANY:

CEP SERVICES COMPANY, INC.

By: /s/ Stephen R. Brunner

Name: Stephen R. Brunner

Title: President, Chief Executive Officer and Chief Operating Officer

EXECUTIVE

/s/ Charles C. Ward

Charles C. Ward

CEP:

CONSTELLATION ENERGY PARTNERS LLC (solely for purposes of agreeing to Section 7.13 of this Agreement)

By: /s/ Stephen R. Brunner

Name: Stephen R. Brunner

Title: President, Chief Executive Officer and Chief Operating Officer

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this “Agreement”) is made by and between CEP Services Company, Inc., a Delaware corporation (the “Company”), Lisa J. Mellencamp (“Executive”) and, solely for the limited purpose set out in Section 7.13 of this Agreement, Constellation Energy Partners LLC, a Delaware limited liability company (“CEP”).

WHEREAS, the Company is a wholly owned subsidiary of CEP;

WHEREAS, pursuant to an offer letter by and between the Company and Executive, dated December 31, 2008 (the “Offer Letter”), Executive is employed by the Company as President, Chief Executive Officer and Chief Operating Officer and serves in those same offices for CEP, as directed by the Company; and

WHEREAS, the Company and Executive desire to provide the full terms and conditions of Executive’s employment by the Company;

WHEREAS, the Company has caused CEP to enter into each of the 2009 LTI Grant Agreement (defined below) and Inducement Award Agreement (defined below) contemporaneously with the execution of this Agreement;

WHEREAS, the Company, CEP and Executive intend for the Offer Letter to be fully superseded by the entry into each of this Agreement, the 2009 LTI Grant Agreement and the Inducement Award Agreement;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions.

(a) “2009 LTI Grant Agreement” means that certain Grant Agreement Relating to Notional Units—Executives, dated May 1, 2009, by and between CEP and Executive.

(b) “Affiliate” means, with respect to any natural person, firm, partnership, association, corporation, limited liability company, company, trust, entity, public body or government (a “Person”), any Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) as used in this definition means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. With respect to any natural person, the term “Affiliate” means (i) the spouse or children (including those by adoption) and siblings of such Person; and any trust whose primary beneficiary is such Person, such Person’s spouse, such Person’s siblings and/or one or more of such Person’s lineal descendants,

(ii) the legal representative or guardian of such Person or of any such immediate family member in the event such Person or any such immediate family member becomes mentally incompetent and (iii) any Person controlled by or under common control with any one or more of such Person and the Persons described in clauses (i) or (ii) preceding.

(c) “Annual Base Salary” means, as of a specified date, Executive’s annual base salary as of such date determined pursuant to Section 4.1.

(d) “Annual Compensation” means, as of particular date, an amount equal to:

(i) the Target-Level Bonus for the year in which such date falls; plus

(ii) the greater of:

(A) Executive’s Annual Base Salary at the annual rate in effect on the date of his Involuntary Termination;

(B) Executive’s Annual Base Salary at the annual rate in effect 180 days prior to the date of his Involuntary Termination; and

(C) Executive’s Annual Base Salary at the annual rate in effect immediately prior to a Change of Control if Executive’s employment shall be subject to an Involuntary Termination during the Change of Control Period.

(e) “Board” means the Board of Managers of CEP.

(f) “Cause” means Executive

(i) has engaged in gross negligence, gross incompetence or willful misconduct in the performance of his duties,

(ii) has failed to substantially perform the duties and services reasonably required by the Company; provided, that such failure continues for at least 30 days after Executive’s receipt of written notice of such failure from the Company,

(iii) has willfully engaged in conduct that is materially injurious to CEP or its subsidiaries (monetarily or otherwise),

(iv) has committed an act of fraud, embezzlement or willful breach of a fiduciary duty to the Company or CEP (including the unauthorized disclosure of confidential or proprietary material information of the Company or CEP) or

(v) has been convicted of, pled guilty to, or pleaded no contest to, a crime involving fraud, dishonesty or moral turpitude.

For purposes of this definition, “moral turpitude” means an act of baseness, vileness or depravity in the private and social duties which one owes to his fellow man.

(g) “CEG” means Constellation Energy Group, Inc., a Maryland corporation.

(h) “CEG Acquisition” means the consummation of a reorganization, merger, consolidation, statutory equity exchange or similar form of business transaction involving CEG (a “CEG Business Combination”), unless immediately following such CEG Business Combination: (i) more than 60% of the total voting power of (x) the organization resulting from such CEG Business Combination (the “CEG Surviving Organization”), or (y) if applicable, the ultimate parent organization that directly or indirectly has beneficial ownership of at least 95% of the voting securities eligible to elect managers or directors of the CEG Surviving Organization (the “CEG Parent Organization”), is represented by combined voting power of CEG’s then outstanding securities eligible to vote for the election of the CEG Board (the “CEG Voting Securities”) that were outstanding immediately prior to such CEG Business Combination (or, if applicable, is represented by equity interests into which such CEG Voting Securities were converted pursuant to such CEG Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such CEG Voting Securities among the holders thereof immediately prior to the CEG Business Combination, (ii) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the CEG Surviving Organization or the CEG Parent Organization), is or becomes the beneficial owner, directly or indirectly, of 25% or more (the “CEG Percentage”) of the total voting power of the outstanding voting securities eligible to elect managers or directors of the CEG Parent Organization (or, if there is no CEG Parent Organization, the CEG Surviving Organization) except where such person held the CEG Percentage of CEG Voting Securities immediately prior to the consummation of the CEG Business Combination and (iii) at least a majority of the members of the board of managers or directors of the CEG Parent Organization (or, if there is no CEG Parent Organization, the CEG Surviving Organization) following the consummation of the CEG Business Combination were members of the CEG Board at the time of the CEG Board’s approval of the execution of the initial agreement providing for such CEG Business Combination.

(i) “CEG Board” means the Board of Directors of CEG.

(j) “CEG Ownership Event” means the consummation of any transaction or other event whereby CEG or any of its Affiliates becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 49% or more of CEP’s then-outstanding Common Units.

(k) “Change of Control” shall be deemed to have occurred upon any one or more of the following events:

(i) Board Change.

(A) During any period of 24 consecutive months, individuals who, at the commencement of such period, constitute all of the Class B Managers (the “Incumbent Class B Managers”) cease for any reason to constitute at least a majority of the Class B Managers; provided, however, that any person becoming a Class B Manager subsequent to the commencement of such period, whose election or nomination for election was approved by a vote of at least two Incumbent Class B Managers then on the Board (either by a specific vote or by approval of the proxy statement of CEP in which such person is named as a nominee for Class B Manager, without written objection to such nomination) shall be an Incumbent Class B Manager; provided further, however, that no individual initially elected or nominated as a Class B Manager of CEP as a result of an actual or threatened election contest with respect to Managers or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be an Incumbent Class B Manager; or

(B) Excluding the circumstances described in Section 1.1(k)(i)(C), during any period of 24 consecutive months, individuals who, at the commencement of such period, constitute the Board (each, an “Incumbent Board Member”) cease for any reason to constitute at least a majority of the Board; provided, however, that any person becoming a Class B Manager subsequent to the commencement of such period, whose election or nomination for election was approved by a vote of at least two Incumbent Class B Managers then on the Board (either by a specific vote or by approval of the proxy statement of CEP in which such person is named as a nominee for Class B Manager, without written objection to such nomination) shall be an Incumbent Board Member; provided further, however, that no individual initially elected or nominated as a Class B Manager of CEP as a result of an actual or threatened election contest with respect to Managers or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be an Incumbent Class B Manager; or

(C) During the period of 24 consecutive months immediately following the occurrence of a Class A Event, individuals who, at the commencement of such period, constitute the Class A Managers and at least one Class B Manager cease for any reason to serve CEP in such capacities, whether by removal, resignation or otherwise;

(ii) Unit Acquisition. Any “person” (as such term is defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes a “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of CEP representing 25% or more of the combined voting power of CEP’s then outstanding securities eligible to vote for the election of the Board (the “CEP Voting Securities”); provided, however, that none of CEP or its Affiliates shall be

deemed such a person unless CEG or any of its Affiliates shall after the date of this Agreement become the beneficial owner, directly or indirectly, of CEP Voting Securities representing 33 1/3% or more of the CEP Voting Securities then outstanding; and provided further, however, that, except with respect to CEG or any of its Affiliates, the event described in this paragraph (ii) shall not be deemed to be a change in control by virtue of any of the following acquisitions (A) by CEP or any organization with respect to which CEP owns a majority of the outstanding equity interest or has the power to vote or direct the voting of sufficient securities to elect a majority of the Managers (or equivalent) (a "Subsidiary Company"), (B) by any employee benefit plan (or related trust) sponsored or maintained by CEP or any Subsidiary Company, (C) by any underwriter temporarily holding securities pursuant to an offering of such securities, (D) pursuant to a Non-Qualifying Transaction (as defined in paragraph (iii)), or (E) pursuant to any acquisition by Executive or any group of persons including Executive (or any entity controlled by Executive or any group of persons including Executive);

(iii) Business Combination. Consummation of a reorganization, merger, consolidation, statutory equity exchange or similar form of business transaction involving CEP or any Subsidiary Company (a "Business Combination"), unless immediately following such Business Combination: (A) more than 60% of the total voting power of (x) the organization resulting from such Business Combination (the "Surviving Organization"), or (y) if applicable, the ultimate parent organization that directly or indirectly has beneficial ownership of at least 95% of the voting securities eligible to elect managers or directors of the Surviving Organization (the "Parent Organization"), is represented by CEP Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by equity interests into which such CEP Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such CEP Voting Securities among the holders thereof immediately prior to the Business Combination, (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Organization or the Parent Organization), is or becomes the beneficial owner, directly or indirectly, of 25% or more (the "Applicable Percentage") of the total voting power of the outstanding voting securities eligible to elect managers or directors of the Parent Organization (or, if there is no Parent Organization, the Surviving Organization) except where such person held the Applicable Percentage of CEP Voting Securities immediately prior to the consummation of the Business Combination and (C) at least a majority of the members of the board of managers or directors of the Parent Organization (or, if there is no Parent Organization, the Surviving Organization) following the consummation of the Business Combination were Managers at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (any Business Combination that satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "Non-Qualifying Transaction");

(iv) Liquidation. The equity holders of CEP approve a plan of complete liquidation or dissolution of CEP; or

(v) Asset Sale. The consummation of a sale or disposition by CEP of all or substantially all of CEP's assets, other than a sale or disposition where the holders of CEP Voting Securities outstanding immediately prior thereto hold securities immediately thereafter that represent more than 60% of the combined voting power of the voting securities of the acquiror, or parent of the acquiror, of such assets.

Notwithstanding the foregoing, except with respect to CEG or any of its Affiliates, a change in control of CEP shall not be deemed to occur solely because any person acquires beneficial ownership of more than 25% of CEP Voting Securities as a result of the acquisition of CEP Voting Securities by CEP that reduces the number of CEP Voting Securities outstanding; provided, however, that if after such acquisition by CEP such person becomes the beneficial owner of additional CEP Voting Securities that increases the percentage of outstanding CEP Voting Securities beneficially owned by such person, a change in control of CEP shall then occur.

(l) "Class A Event" means the occurrence of any event through which or as a consequence of which (i) CEG shall cease to beneficially own, directly or indirectly, at least 50% of the Class A Units of CEP that are then outstanding (including where CEG or any of its direct or indirect subsidiaries (individually, a "CEG Entity") enters into a total return swap or any other contractual arrangement whereby a CEG Entity transfers any economic interest in at least 50% of the Class A Units of CEP that are then outstanding); (ii) a CEG Acquisition occurs; or (iii) CEG shall cease to have the right, directly or indirectly, to direct the appointment of all Class A Managers pursuant to Section 11.8(d) of the LLC Agreement or otherwise (including where any CEG Entity enters into any contractual arrangement whereby a CEG Entity grants any Person other than a wholly owned CEG Entity the right or option, directly or indirectly, to direct the appointment of any number of the Class A Managers pursuant to Section 11.8(d) of the LLC Agreement or otherwise).

(m) "Change of Control Period" means, with respect to a Change of Control, the two-year period beginning on the date upon which such Change of Control occurs.

(n) "Code" means the Internal Revenue Code of 1986, as amended.

(o) "Compensation Committee" means the Compensation Committee of the Board.

(p) "Disability" means that, as a result of Executive's incapacity due to physical or mental illness, (i) he shall have been absent from the full-time performance of his duties for six consecutive months, (ii) the Board reasonably determines that such incapacity is expected to be suffered for a period of at least 12 consecutive months from the date such absence first occurred and (iii) he shall not have returned to full-time performance of his duties within 30 days after written notice of disability is given to

Executive or his representative by the Company (a “Disability Notice”); provided, however, that such Disability Notice may not be given prior to 30 days before the expiration of such six-month period.

(q) “Effective Date” means May 1, 2009.

(r) “Enhanced Severance Amount” means an amount equal to two times Executive’s Annual Compensation.

(s) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(t) “Event of Good Reason” means:

(i) The occurrence, prior to a Change of Control or after the expiration of a Change of Control Period, of any one or more of the following:

(A) a material reduction in the nature or scope of Executive’s authority or duties from those previously applicable to him; provided, however, that, if Executive holds more than one office, the removal from any offices other than the most senior shall not constitute an Event of Good Reason;

(B) a reduction in Executive’s Annual Base Salary, except with Executive’s prior written consent;

(C) a diminution in Executive’s eligibility to participate in bonus, stock option, incentive award and other compensation plans that provide opportunities to receive compensation that are substantially similar to the opportunities provided by CEP or the Company to executives with comparable duties (subject, in each case to CEP and Executive performance, as applicable);

(D) a change in the location of Executive’s principal place of employment by the Company by more than 60 miles from the location where he was principally employed; provided, however, that such change in the location of Executive’s principal place of employment shall not constitute an Event of Good Reason if Executive consents to such decision to relocate prior to such change in location.

(ii) The occurrence, within a Change of Control Period, of any one or more of the following (except with Executive’s prior written consent):

(A) a material reduction in the nature or scope of Executive’s authority or duties from those applicable to him immediately prior to the date on which a Change of Control occurs;

(B) a reduction in Executive's Annual Base Salary from that provided to him immediately prior to the date on which a Change of Control occurs;

(C) a diminution in Executive's eligibility to participate in bonus, stock option, incentive award and other compensation plans that provide opportunities to receive compensation that are the greater of (A) the opportunities provided by CEP or the Company and any of its subsidiaries for executives with comparable duties or (B) the opportunities under any such plans under which he was participating immediately prior to the date on which a Change of Control occurs;

(D) a material diminution in employee benefits (including medical, dental, life insurance and long-term disability plans) and perquisites applicable to Executive from the greater of (A) the employee benefits and perquisites provided by CEP or the Company and any of its subsidiaries to executives with comparable duties or (B) the employee benefits and perquisites to which Executive was entitled immediately prior to the date on which a Change of Control occurs; or

(E) a change in the location of Executive's principal place of employment by the Company by more than 60 miles from the location where he was principally employed immediately prior to the date on which a Change of Control occurs; provided, however, that such change in the location of Executive's principal place of employment shall not constitute an Event of Good Reason if Executive consents to the decision to relocate prior to such change in location.

(u) "Inducement Award Agreement" means that certain Inducement Award Agreement, dated May 1, 2009, by and between CEP and Executive.

(v) "Involuntary Termination" means any termination of Executive's employment with the Company that:

(i) does not result from a resignation by Executive (other than a resignation pursuant to clause (ii) of this Section 1.1(v));

(ii) results from the Company's delivery of a notice pursuant to Section 3.1 that no automatic extension shall occur upon the Initial Expiration Date; or

(iii) results from a resignation by Executive on or before the date that is 60 days after the occurrence of an Event of Good Reason;

provided, however, that the term "Involuntary Termination" shall not include a termination for Cause or any termination as a result of death or Disability.

(w) “LLC Agreement” means the Second Amended and Restated Operating Agreement of Constellation Energy Partners LLC, dated as of November 20, 2006, as amended, and as may be further amended from time to time.

(x) “Manager” means a member of the Board.

(y) “Omnibus Incentive Plan” means (i) Constellation Energy Partners LLC Long-Term Incentive Plan, (ii) the Constellation Energy Partners LLC 2009 Omnibus Incentive Plan and (iii) any successor plan adopted by CEP or any of its Affiliates for the benefit of the employees of CEP or any of its Affiliates.

(z) “Performance Award” has the meaning given such term in the Omnibus Incentive Plan.

(aa) “Severance Amount” means an amount equal to one and one-half times Executive’s Annual Compensation; provided, however, that, at any time after December 31, 2009, such amount shall include a Target-Level Bonus only if a bonus was paid to or earned by Executive for the most recently completed fiscal year of CEP.

(bb) “Severance Period” means the period commencing on the date of Involuntary Termination and continuing for 12 months thereafter.

(cc) “Special Termination Option” means Executive’s right to terminate his employment hereunder within one year of the first occurrence of a CEG Ownership Event.

(dd) “Target-Based Grant” means an award under the Omnibus Incentive Plan for which eligibility or pay-out is determined by reference to the achievement of a Performance Goal, as such term is defined in the Omnibus Incentive Plan.

(ee) “Target-Level Bonus” means that bonus required or indicated under a Performance Award or other Target-Based Grant under the Omnibus Incentive Plan or other bonus arrangement of CEP or the Company, in each case as if all target performance goals were achieved.

1.2 Interpretations.

(a) General. In this Agreement, unless a clear contrary intention appears, (a) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision, (b) reference to any Article or Section means such Article or Section hereof, (c) the words “including” (and with correlative meaning “include”) means including, without limiting the generality of any description preceding such term and (d) where any provision of this Agreement refers to action to be taken by either party, or that such party is prohibited from taking an action, such provision shall be applicable whether such action is taken directly or indirectly by such party.

(b) Comparable Positions. For purposes of this Agreement, the offices of chief financial officer or general counsel shall be deemed to have comparable duties to those of Executive.

ARTICLE 2 EMPLOYMENT AND DUTIES

2.1 Employment. Effective as of the Effective Date and continuing for the period of time set forth in Section 3.1 of this Agreement (the “Term”), Executive’s employment by the Company shall be subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date during the Term, the Company shall employ Executive in the position of President, Chief Executive Officer and Chief Operating Officer of CEP and President, Chief Executive Officer and Chief Operating Officer of the Company.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently the duties and services appertaining to such offices, as well as such additional duties and services appropriate to such offices that CEP or the Company may reasonably designate from time to time. Executive’s employment shall also be subject to the policies maintained and established by CEP or the Company that are of general applicability to CEP’s or the Company’s employees, as such policies may be amended from time to time.

2.4 Other Interests. Executive agrees, during the period of such employment by the Company, to devote substantially all of Executive’s business time, energy and efforts to the business and affairs of CEP and the Company.

2.5 Duty of Loyalty. Executive acknowledges and agrees that Executive owes a fiduciary duty of loyalty to act at all times in the best interests of CEP and the Company. In keeping with such duty, Executive shall make full disclosure to CEP and the Company of all business opportunities pertaining to CEP’s or the Company’s businesses and shall not appropriate for Executive’s own benefit business opportunities concerning CEP’s or the Company’s businesses.

2.6 Disclosure Representation. Executive represents to the Company that no event of the type referred to in Section 1.1(f)(v) has occurred with respect to Executive other than as has been disclosed to the Board.

ARTICLE 3 TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless Executive’s employment hereunder is sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the third anniversary of the Effective Date (the “Initial Expiration Date”); provided, however, that beginning on the Initial Expiration Date, and on each anniversary of the Initial Expiration Date thereafter, if Executive’s employment hereunder has not been terminated pursuant to Section 3.2 or Section 3.3, then said term of employment shall automatically be extended for an additional one-year period unless on or before the date that is 180 days prior to the Initial Expiration Date or any anniversary thereof either party shall give written notice to the other that no such automatic extension shall occur.

3.2 The Company's Right To Terminate. Notwithstanding the provisions of Section 3.1, the Company shall have the right to terminate Executive's employment under this Agreement at any time for any of the following reasons:

- (a) upon Executive's death;
- (b) upon Executive's Disability;
- (c) for Cause; or
- (d) for any other reason whatsoever, in the sole discretion of the Board.

3.3 Executive's Right To Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate his employment under this Agreement for any of the following reasons:

- (a) as a result of an Event of Good Reason; provided, however, that prior to Executive's termination as a result of an Event of Good Reason, Executive must give written notice to the Company of the specific occurrence that resulted in the Event of Good Reason and such occurrence must remain uncorrected for 30 calendar days following such written notice; or
- (b) at any time for any other reason whatsoever, in the sole discretion of Executive.

3.4 Notice of Termination. If the Company desires to terminate Executive's employment hereunder at any time prior to expiration of the Term, it shall do so by giving written notice to Executive that it has elected to terminate Executive's employment hereunder and stating the effective date and reason for such termination; provided, however, that no such action shall alter or amend any other provisions of this Agreement or rights arising under this Agreement. If Executive desires to terminate his employment hereunder at any time prior to expiration of the Term, he shall do so by giving a 60-day written notice to the Company that he has elected to terminate his employment hereunder and stating the effective date and reason for such termination; provided, however, that no such action shall alter or amend any other provisions of this Agreement or rights arising under this Agreement.

3.5 Deemed Resignations. Any termination of Executive's employment shall constitute an automatic resignation of Executive as an officer and manager or director, as applicable, (if applicable) of CEP, the Company and each of its Affiliates, unless Executive owns at least 10% of the issued and outstanding CEP Voting Securities, in which case such resignation shall not be deemed an automatic resignation of Executive from the Board, and from the board of directors or similar governing body of any corporation, limited liability company or other entity in which CEP holds an equity interest and with respect to which board or similar governing body Executive serves as CEP's designee or other representative.

ARTICLE 4
COMPENSATION AND BENEFITS

4.1 Base Salary. During the Term, Executive shall receive an initial Annual Base Salary of \$200,000. Executive's Annual Base Salary shall be reviewed by the Compensation Committee on an annual basis, and, in the sole discretion of the Compensation Committee, such Annual Base Salary may be increased, effective as of any date determined by the Compensation Committee. Executive's Annual Base Salary shall be paid in equal installments in accordance with the Company's standard policy regarding payment of compensation to executives but no less frequently than monthly.

4.2 Bonuses.

(a) General. During the Term, the Company shall cause CEP to make yearly grants to Executive of a Performance Award under the Omnibus Incentive Plan; provided, however, that all determinations relating to Executive's participation, including those relating to the performance goals applicable to Executive and Executive's level of participation and payout opportunity, shall be made by the Compensation Committee in its sole discretion.

(b) 2009 Award. The Company shall cause CEP to grant Executive a Performance Award for 2009 with such Performance Metrics (as such term is defined in the Omnibus Incentive Plan) determined by the Committee in its good faith discretion (the "2009 Award"). The 2009 Award shall pay in cash 65% of Executive's initial Annual Base Salary for the achievement of Target-Level Performance and up to 130% of Executive's initial Annual Base Salary for superior performance, in each case as such performance is determined by the Committee in its good faith discretion; provided, however, that, if the Constellation Energy Partners LLC 2009 Omnibus Incentive Compensation Plan has not been approved by the common unitholders of the Company prior to December 31, 2009, the Company shall pay Executive an amount in cash that is equivalent to the amount that would have been payable in respect of the 2009 Award, which payment shall be made contemporaneously with the payment by the Company of bonuses to its other employees, but in no event later than March 31, 2010.

(c) Inducement Bonus. The Company shall pay Executive an aggregate cash bonus of \$300,000 (the "Inducement Cash Bonus"), \$150,000 of which is payable on January 1, 2010 and \$150,000 of which is payable on January 1, 2011.

4.3 Long-Term Incentive. During the Term, the Company shall cause CEP to make yearly long-term incentive grants to Executive under the Omnibus Incentive Plan; provided, however, that all determinations relating to Executive's participation, including those relating to the performance goals applicable to Executive and Executive's level of participation and payout opportunity, shall be made by the Compensation Committee in its sole discretion.

4.4 Life Insurance. To the extent such insurance is available to the Company on commercially reasonable terms, the Company shall obtain, and thereafter maintain at all times prior to the termination of Executive's employment hereunder pursuant to Article 3, a term life

insurance policy with a responsible and reputable insurance company on the life of Executive, in the face amount equal to Executive's then-current Annual Base Salary, which policy shall name any party designated by Executive as the beneficiary thereunder.

4.5 Other Perquisites. During Executive's employment hereunder, Executive shall be afforded the following benefits as incidences of his employment:

(a) Business and Entertainment Expenses. Subject to the Company's standard policies and procedures with respect to expense reimbursement as applied to its employees generally, the Company shall no less frequently than monthly reimburse Executive for, or pay on behalf of Executive, reasonable and appropriate expenses incurred by Executive for business related purposes, including dues and fees to industry and professional organizations and costs of entertainment and business development.

(b) Vacation. During his employment hereunder, Executive shall be entitled each calendar year to such number of days of paid vacation and to all holidays, in each case as provided to employees of the Company generally.

(c) Other Company Benefits. Executive and, to the extent applicable, Executive's spouse, dependents and beneficiaries, shall be allowed to participate in all benefits, plans and programs, including improvements or modifications of the same, that are now, or may hereafter be, available to other executives or employees of the Company. Such benefits, plans and programs shall include any profit sharing plan, thrift plan, health insurance or health care plan, life insurance, disability insurance, pension plan, supplemental retirement plan, vacation and sick leave plan, and the like that may be maintained by the Company. The Company shall not, however, by reason of this paragraph be obligated to institute, maintain or refrain from changing, amending or discontinuing any such benefit plan or program, as long as such changes are similarly applicable to employees generally.

ARTICLE 5 EFFECT OF TERMINATION ON COMPENSATION; ADDITIONAL PAYMENTS

5.1 Termination Other Than an Involuntary Termination.

(a) Except as provided in Section 5.1(b), if Executive's employment hereunder shall terminate upon expiration of the Term because either party has provided the notice contemplated in Section 3.1 or for any other reason except those described in Section 5.2 and Section 5.3, then all compensation and all benefits to Executive under this Agreement shall continue to be provided until the date of such termination of employment, and such compensation and benefits shall terminate contemporaneously with such termination of employment.

(b) If Executive shall die or the Company shall have delivered a Disability Notice, then all compensation and all benefits to Executive under this Agreement shall continue to be provided until the date of such death or the date on which the Disability Notice is delivered; provided, however, that (i) the award of Restricted Units made

pursuant to the Inducement Award Agreement and all awards under the Omnibus Incentive Plan (including the award made pursuant to the 2009 LTI Grant Agreement) shall immediately accelerate, if then unvested, and vest in Executive or the legal representative of his estate and the Company shall pay to Executive or the legal representative of his estate any part of the Inducement Cash Bonus not already paid to Executive; and (ii) for the year in which Executive's death or the Company's delivery of a Disability Notice, as applicable, occurs, the Company shall pay to Executive or the legal representative of his estate the applicable Target-Level Bonus, pro rated for the number of days elapsed in such year at the time of such death or delivery, as applicable.

5.2 Involuntary Termination Other Than During a Change of Control Period. If Executive's employment hereunder shall be subject to an Involuntary Termination that occurs prior to a Change of Control or after the expiration of a Change of Control Period, then the Company shall, subject to Section 5.7, pay to Executive, as additional compensation for services rendered to the Company (including CEP and its subsidiaries), the following amounts and take the following actions after the last day of Executive's employment with the Company:

(a) Pay Executive a lump-sum cash payment in an amount equal to the Severance Amount plus any part of the Inducement Cash Bonus not already paid to Executive, which lump-sum cash payment shall be made on the first day the timing of which would not cause any part of the Severance Amount or such part of the Inducement Cash Bonus to be subject to additional taxes or interest under Section 409A of the Code.

(b) Cause (i) the Restricted Units and related Distribution Credits granted pursuant to the Inducement Award Agreement and (ii) any and all outstanding options and other non-vested service-based awards under the Omnibus Incentive Plan (including the Notional Units and related Distribution Credits granted pursuant to the 2009 LTI Grant Agreement), that are held by Executive, to become immediately vested, earned and exercisable in full and cause Executive's accrued benefits under any and all nonqualified deferred compensation plans sponsored by CEP or the Company to become immediately nonforfeitable.

(c) Cause Executive and those of his dependents (including Executive's spouse) who were covered under the Company's medical and dental benefit plans on the day prior to Executive's Involuntary Termination to continue to be covered under such plans (or to receive equivalent benefits) throughout the Severance Period at no greater cost to Executive than that applicable to a similarly situated Company employee who has not terminated employment; provided, however, that

(i) such coverage shall terminate if and to the extent Executive becomes eligible to receive medical and dental coverage from a subsequent employer (and any such eligibility shall be promptly reported to the Company by Executive),

(ii) if Executive (and/or Executive's spouse) would have been entitled to retiree medical and/or dental coverage under the Company's plans had Executive voluntarily retired on the date of such Involuntary Termination, then such coverages shall be continued as provided under such plans, and

(iii) such coverage to Executive (or the receipt of equivalent benefits) shall be provided under one or more insurance policies so that reimbursement or payment of benefits to Executive thereunder shall not result in taxable income to Executive (or, if any such reimbursement or payment of benefits is taxable to Executive, then the Company shall pay to Executive an amount (the “tax gross-up payment”) equal to an amount as is required to hold Executive harmless from any additional tax liability (including liability under Section 409A of the Code) relating to such reimbursement or payment). Any such tax gross-up payment shall be made as soon as practicable after Executive remits the taxes, but in all events within 30 days of such remittance.

The Company shall pay any premiums arising from such coverage on a monthly basis.

5.3 Involuntary Termination During a Change of Control Period; Special Termination Option. If (X) Executive’s employment hereunder shall be subject to an Involuntary Termination (i) following a Change of Control and (ii) during a Change of Control Period or (Y) Executive shall have delivered notice to the Company of his exercise of the Special Termination Option within one year following the first occurrence of a CEG Ownership Event, then the Company shall, subject to Section 5.7, pay to Executive, as additional compensation for services rendered to the Company (including CEP and its subsidiaries), the following amounts and take the following actions after the last day of Executive’s employment with the Company:

(a) Pay Executive a lump-sum cash payment in an amount equal to the Enhanced Severance Amount plus any part of the Inducement Cash Bonus not already paid to Executive, which lump-sum cash payment shall be made on the first day the timing of which would not cause any part of the Enhanced Severance Amount or such part of the Inducement Cash Bonus to be subject to additional taxes or interest under Section 409A of the Code.

(b) Pay Executive a lump-sum cash payment in respect of the Performance Award under the Omnibus Incentive Plan for the then-current year, which amount (the “Current-Year PA Payment”) shall be paid out as if Target-Level Performance will have been achieved for such year; provided, however, that the Current-Year PA Payment shall be prorated based on the number of whole or partial months that have occurred as of the date of such Involuntary Termination. The Current-Year PA Payment shall be made on the first day the timing of which would not cause any part of such payment to be subject to additional taxes or interest under Section 409A of the Code.

(c) Pay Executive a lump-sum cash payment under the Omnibus Incentive Plan for any Target-Based Grants for the then-current year (not including any Performance Awards), which amount (the “Other TBG Payment”) shall be paid out as if Target-Level Performance will be achieved for such year; provided, however, that the Other TBG Payment shall be prorated based on the number of whole or partial months that have occurred as of the date of such Involuntary Termination. The Other TBG

Payment shall be made on the first day the timing of which would not cause any part of such payment to be subject to additional taxes or interest under Section 409A of the Code.

(d) Cause (i) the Restricted Units and related Distribution Credits granted pursuant to the Inducement Award Agreement and (ii) any and all outstanding options and other non-vested service-based awards under the Omnibus Incentive Plan (including the Notional Units and related Distribution Credits granted pursuant to the 2009 LTI Grant Agreement), that are held by Executive, to become immediately vested, earned and exercisable in full and cause Executive's accrued benefits under any and all nonqualified deferred compensation plans sponsored by CEP or the Company to become immediately nonforfeitable.

(e) Cause Executive and those of his dependents (including Executive's spouse) who were covered under the Company's medical and dental benefit plans on the day prior to Executive's Involuntary Termination to continue to be covered under such plans (or to receive equivalent benefits) throughout the Severance Period at no greater cost to Executive than that applicable to a similarly situated Company employee who has not terminated employment; provided, however, that

(i) such coverage shall terminate if and to the extent Executive becomes eligible to receive medical and dental coverage from a subsequent employer (and any such eligibility shall be promptly reported to the Company by Executive),

(ii) if Executive (and/or Executive's spouse) would have been entitled to retiree medical and/or dental coverage under the Company's plans had Executive voluntarily retired on the date of such Involuntary Termination, then such coverages shall be continued as provided under such plans, and

(iii) such coverage to Executive (or the receipt of equivalent benefits) shall be provided under one or more insurance policies so that reimbursement or payment of benefits to Executive thereunder shall not result in taxable income to Executive.

The Company shall pay any premiums arising from such coverage on a monthly basis.

(f) Should any amount paid or benefit delivered pursuant to this Section 5.3 result in an excise tax payable by Executive, the Company shall pay to Executive an amount (the "tax gross-up payment") as is required to hold Executive harmless from such excise tax and any additional tax liability arising as a result of any part of the tax gross-up payment. Any such tax gross-up payment shall be made as soon as practicable after Executive remits the taxes, but in all events within 30 days of such remittance.

5.4 Interest on Late Payments. If any payment provided for in Section 5.1, Section 5.2 or Section 5.3 hereof is not made when due, then the Company shall pay to Executive interest on the amount payable from the date that such payment should have been made under such Section until such payment is made, which interest shall be calculated, on a

per-annum basis, at 2% plus the prime or base rate of interest as reported from time to time in the *Wall Street Journal*, and shall further hold Executive harmless from any liability under Section 409A of the Code.

5.5 Liquidated Damages. In light of the difficulties in estimating the damages for an early termination of Executive's employment under this Agreement, the Company and Executive hereby agree that the payments, if any, to be received by Executive pursuant to this Article 5 shall be received by Executive as liquidated damages.

5.6 Other Benefits. This Agreement governs the rights and obligations of Executive and the Company with respect to Executive's base salary and certain perquisites of employment. Except as expressly provided herein, Executive's rights and obligations both during the term of his employment and thereafter with respect to unit options, restricted units, incentive and deferred compensation, life insurance policies insuring the life of Executive and other benefits under the plans and programs maintained by the Company shall be governed by the separate agreements, plans and other documents and instruments governing such matters.

5.7 Release. As a condition to the Company's obligations arising under Section 5.2 and Section 5.3, Executive shall first execute and deliver to the Company a release, in the form reasonably established by the Compensation Committee, releasing the Company, CEP and their respective Affiliates, officers, managers, directors, employees and agents, from any and all claims and from any and all causes of action of any kind or character, including all claims and causes of action arising out of Executive's employment hereunder or the termination of such employment. The performance of the Company's obligations under Section 5.2 and Section 5.3 and the receipt of the severance benefits provided thereunder by Executive shall constitute full settlement of all such claims and causes of action. Executive shall not be under any duty or obligation to seek or accept other employment following a termination of employment pursuant to which severance benefits under Section 5.2 and Section 5.3 are owing and any amounts due Executive pursuant to Section 5.2 and Section 5.3 shall not be reduced or suspended if Executive accepts subsequent employment or earns any amounts as a self-employed individual. Executive's rights under Section 5.2 and Section 5.3 are Executive's sole and exclusive rights against the Company and any of its Affiliates and the Company's and its Affiliates' sole and exclusive liability to Executive under, by reason of or related to this Agreement, whether in contract, tort or otherwise, for the termination of his employment by the Company. Nothing contained in this Section 5.7 shall be construed to be a waiver by Executive of any benefits accrued for or due Executive under any employee benefit plan (as such term is defined in the Employees' Retirement Income Security Act of 1974, as amended) maintained by the Company, CEP or any of their respective subsidiaries except that Executive shall not be entitled to any severance benefits pursuant to any severance plan or program of the Company, CEP or any of their respective subsidiaries.

ARTICLE 6
OTHER AGREEMENTS

6.1 Protection of Confidential Information.

(a) Disclosure to and Property of CEP or the Company. All information, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed or acquired by Executive, individually or in conjunction with others, during the period of Executive's employment by the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) that relate to CEP's or the Company's business, trade secrets, products or services (including all such information relating to corporate opportunities, product specification, compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within a customer's organizations or within the organization of acquisition prospects, marketing and merchandising techniques, business plans, computer software or programs, computer software and database technologies, prospective names and marks) (collectively, the "Confidential Information") shall be disclosed to CEP or the Company and are and shall be the sole and exclusive property of the Company. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "Work Product") are and shall be the sole and exclusive property of the Company. Upon Executive's termination of employment hereunder, for any reason, Executive shall promptly deliver such Confidential Information and Work Product, and all copies thereof, to the Company.

(b) Disclosure to Executive. The Company has and will disclose to Executive, or place Executive in a position to have access to or develop, Confidential Information and Work Product of CEP or the Company; and/or has and will entrust Executive with business opportunities of CEP or the Company; and/or has and will place Executive in a position to develop business goodwill on behalf of CEP or the Company. Executive agrees to preserve and protect the confidentiality of all Confidential Information or Work Product.

(c) No Unauthorized Use or Disclosure. Executive agrees that he will not, at any time during or after Executive's employment hereunder, make any unauthorized disclosure of, and will prevent the removal from CEP's or the Company's premises of, Confidential Information or Work Product, or make any use thereof, except in the carrying out of Executive's responsibilities during the course of Executive's employment hereunder. Executive shall use commercially reasonable efforts to cause all persons or entities to whom any Confidential Information shall be disclosed by him under this Agreement to observe the terms and conditions set forth herein as though each such

person or entity was bound hereby. Executive shall have no obligation under this Agreement to keep confidential any Confidential Information if and to the extent that disclosure thereof is specifically required by law; provided, however, that in the event disclosure is required by applicable law, Executive shall provide the Company with prompt notice of such requirement prior to making any such disclosure so that the Company may seek an appropriate protective order. At the request of the Company at any time, Executive agrees to deliver to the Company all Confidential Information that he may possess or control. Executive agrees that all Confidential Information (whether now or hereafter existing) conceived, discovered or made by him during the period of Executive's employment hereunder exclusively belongs to the Company (and not to Executive), and Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. Affiliates of the Company, shall be third-party beneficiaries of Executive's obligations under this Section 6.1. As a result of Executive's employment hereunder, Executive may also from time to time have access to, or knowledge of, confidential information or work product of third parties, such as customers, suppliers, partners, joint venturers and the like, of CEP or the Company. Executive also agrees to preserve and protect the confidentiality of such third-party confidential information and work product to the same extent, and on the same basis, as the Confidential Information and Work Product.

(d) Ownership by the Company. If, during Executive's employment hereunder, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, computer programs, e-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures or the like) relating to CEP's or the Company's business, products or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on CEP's or the Company's premises or otherwise), including any Work Product, the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive's employment; or, if the work is not prepared by Executive within the scope of Executive's employment but is specially ordered by the Company as a contribution to a collective work, as a part of an audiovisual work, as a translation, as a supplementary work, as a compilation or as an instructional text, then the work shall be considered to be work made-for-hire, and the Company shall be the author of the work. If such work is neither prepared by Executive within the scope of Executive's employment nor a work specially ordered that is deemed to be a work made-for-hire, then Executive hereby agrees to assign, and by these presents does assign, to the Company all of Executive's worldwide right, title and interest in and to such work and all rights of copyright therein.

(e) Assistance By Executive. During the period of Executive's employment hereunder and thereafter, Executive shall reasonably assist the Company and its nominee, at any time, in (a) the protection of the Company's worldwide right, title and interest in and to Work Product, (b) the execution of all formal assignment documents requested by the Company or its nominee and (c) the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries.

(f) Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Section 6.1 by Executive, and the Company shall be entitled to enforce the provisions of this Section 6.1 by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 6.1 but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and his agents.

6.2 Non-Disparagement. Except as required by law, for a period of one year immediately following any termination of Executive's employment hereunder (a) Executive agrees to refrain from making any statement disparaging CEP or the Company, any officer, manager, employee or other service provider for CEP or the Company, or any product or service offered by CEP, the Company or any of their respective Affiliates; and (b) the Company agrees to refrain from making any statement disparaging Executive.

6.3 Non-Solicitation. For a period of one year immediately following any termination of Executive's employment hereunder, Executive shall not directly or indirectly solicit, induce, recruit, encourage or otherwise endeavor to cause or attempt to cause any employee or consultant of CEP or the Company to terminate their relationship with CEP or the Company, as the case may be; provided, however, that nothing in this Section 6.3 shall prohibit the use of a general solicitation in a publication or by other means.

6.4 Claw-back.

(a) Post-Termination Payments. Executive agrees to promptly repay to the Company all payments made pursuant to any of Section 5.2, Section 5.3, Section 5.4 or Section 5.5 if there has been a final and non-appealable judgment entered by a court of competent jurisdiction that found willful misconduct by Executive in the performance of his duties prior to the termination of his employment hereunder.

(b) Pre-Termination Bonuses. Executive agrees to promptly repay to the Company any Overpayment in the event of any restatement of CEP's financial statements that are filed with the Securities and Exchange Commission. For purposes of this Section 6.4(b), "Overpayment" means the excess, if any, of (i) the amounts actually paid by the Company pursuant to Section 4.2 for the two years immediately prior to such restatement over (ii) the amounts that should have been paid pursuant to Section 4.2 for those two years based on the financial results reflected in such restated financial statements.

ARTICLE 7 MISCELLANEOUS

7.1 Indemnification. If Executive shall obtain any money judgment or otherwise prevail with respect to any litigation brought by Executive or the Company to enforce or interpret any provision contained herein, the Company, to the fullest extent permitted by

applicable law, hereby indemnifies Executive for his reasonable attorneys' fees, other reasonable professional fees and disbursements incurred in such litigation and hereby agrees (i) to reimburse Executive in full all such fees and disbursements and (ii) to pay prejudgment interest on any money judgment obtained by Executive from the earliest date that payment to him should have been made under this Agreement until such judgment shall have been paid in full, which interest shall be calculated, on a per-annum basis, at 2% plus the prime or base rate of interest as reported from time to time in the *Wall Street Journal*. All reimbursement obligations arising pursuant to this Section 7.1 shall remain in effect throughout the applicable statute of limitations applicable to any contractual claim under this Agreement. Any expenses eligible for reimbursement hereunder shall not affect the expenses eligible for reimbursement in any other calendar year. The right to reimbursement hereunder is not subject to liquidation or exchange for another benefit.

7.2 Payment Obligations Absolute. Except as specifically provided in Section 6.1(f), the Company's obligation to pay Executive the amounts and to make the arrangements provided in this Agreement shall be absolute and unconditional and shall not be affected by any circumstances, including any set-off, counterclaim, recoupment, defense or other right that CEP, the Company or any of their respective subsidiaries may have against him or anyone else. All amounts payable by the Company (including its subsidiaries) shall be paid without notice or demand. Executive shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and, except as provided in Section 5.2(c) or Section 5.3(e) hereof, the obtaining of any such other employment shall in no event effect any reduction of the Company's obligations to make (or cause to be made) the payments and arrangements required to be made under this Agreement.

7.3 Notices. For purposes of this Agreement, notices and all other communications provided in this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, or when sent by recognized overnight delivery service, addressed as follows:

If to the Company:

Constellation Energy Partners LLC
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002
Attention: Legal Department

If to Executive:

Lisa J. Mellencamp
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

7.4 Applicable Law. This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without reference to its choice of law provisions.

7.5 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

7.6 Severability. Any provision in this Agreement that is prohibited or unenforceable in any jurisdiction by reason of applicable law shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same agreement.

7.8 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes as may be required pursuant to any law or governmental regulation or ruling and all other normal employee deductions made with respect to the Company's employees generally.

7.9 Headings. The Article, Section and paragraph headings have been inserted herein for purposes of convenience and shall not be used for interpretive purposes.

7.10 Gender and Plurals. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely.

7.11 Assignment. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company, by merger or otherwise. This Agreement shall also be binding upon and inure to the benefit of Executive and his estate. If Executive shall die prior to full payment of amounts due pursuant to this Agreement, such amounts shall be payable pursuant to the terms of this Agreement to his estate. Executive shall not have any right to pledge, hypothecate, anticipate or assign this Agreement or the rights hereunder, except by will or the laws of descent and distribution.

7.12 Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to such subject matter. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof (including the Offer Letter) are hereby null and void and of no further force and effect, including all prior employment and severance agreements, if any, by and between the Company and Executive. Any modification of this Agreement will be effective only if it is in writing and signed by both parties.

7.13 CEP Agreements.

(a) Offer Letter Termination. CEP and Executive agree that the Offer Letter is hereby terminated and of no further force or effect.

(b) CEP Guaranty. CEP hereby unconditionally and irrevocably guarantees to Executive the prompt and full discharge by the Company of all of the Company's covenants, agreements, obligations and liabilities under this Agreement (the "Company Obligations") in accordance with the terms hereof. CEP hereby guarantees to Executive full and complete performance by the Company of each and all of the Obligations, including the due and punctual payment of all amounts that may become due and payable to Executive hereunder. CEP acknowledges and agrees that, with respect to all Company Obligations that are obligations to pay money, such guaranty shall be a guaranty of payment and not of collection. If the Company shall default in the due and punctual performance of any of the Company Obligations, including the full and timely payment of any amounts owed pursuant to the Company Obligations, CEP will forthwith perform or cause to be performed such Company Obligations and will forthwith make full payment of any amount due with respect thereto at its sole cost and expense and without notice or demand by Executive or the necessity of exhausting Executive's remedies against the Company in respect of such Company Obligations. Without limiting the generality of the remaining terms and conditions of this Agreement, the parties to this Agreement agree and acknowledge that nothing in this Section 7.13(b) shall hinder the Company in the full exercise of its right to terminate the employment of Executive pursuant to Section 3.2.

(c) CEP Not Employer. The Company, CEP and Executive each acknowledge and agree that CEP is a party to this Agreement solely for the limited purpose making the agreements set out in this Section 7.13 and nothing in this Agreement is intended to make CEP the employer of Executive for any purpose.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date.

THE COMPANY:

CEP SERVICES COMPANY, INC.

By: /s/ Stephen R. Brunner
Name: Stephen R. Brunner
Title: President, Chief Executive Officer and Chief
Operating Officer

EXECUTIVE

/s/ Lisa J. Mellencamp
Lisa J. Mellencamp

CEP:

CONSTELLATION ENERGY PARTNERS LLC (solely for
purposes of agreeing to Section 7.13 of this Agreement)

By: /s/ Stephen R. Brunner
Name: Stephen R. Brunner
Title: President, Chief Executive Officer and Chief
Operating Officer

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this “Agreement”) is made by and between CEP Services Company, Inc., a Delaware corporation (the “Company”), Michael B. Hiney (“Executive”) and, solely for the limited purpose set out in Section 7.13 of this Agreement, Constellation Energy Partners LLC, a Delaware limited liability company (“CEP”).

WHEREAS, the Company is a wholly owned subsidiary of CEP;

WHEREAS, pursuant to an offer letter by and between the Company and Executive, dated December 31, 2008 (the “Offer Letter”), Executive is employed by the Company as President, Chief Executive Officer and Chief Operating Officer and serves in those same offices for CEP, as directed by the Company; and

WHEREAS, the Company and Executive desire to provide the full terms and conditions of Executive’s employment by the Company;

WHEREAS, the Company has caused CEP to enter into each of the 2009 LTI Grant Agreement (defined below) and Inducement Award Agreement (defined below) contemporaneously with the execution of this Agreement;

WHEREAS, the Company, CEP and Executive intend for the Offer Letter to be fully superseded by the entry into each of this Agreement, the 2009 LTI Grant Agreement and the Inducement Award Agreement;

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations contained herein, the Company and Executive agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions.

(a) “2009 LTI Grant Agreement” means that certain Grant Agreement Relating to Notional Units—Executives, dated May 1, 2009, by and between CEP and Executive.

(b) “Affiliate” means, with respect to any natural person, firm, partnership, association, corporation, limited liability company, company, trust, entity, public body or government (a “Person”), any Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) as used in this definition means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. With respect to any natural person, the term “Affiliate” means (i) the spouse or children (including those by adoption) and siblings of such Person; and any trust whose primary beneficiary is such Person, such Person’s spouse, such Person’s siblings and/or one or more of such Person’s lineal descendants,

(ii) the legal representative or guardian of such Person or of any such immediate family member in the event such Person or any such immediate family member becomes mentally incompetent and (iii) any Person controlled by or under common control with any one or more of such Person and the Persons described in clauses (i) or (ii) preceding.

(c) “Annual Base Salary” means, as of a specified date, Executive’s annual base salary as of such date determined pursuant to Section 4.1.

(d) “Annual Compensation” means, as of particular date, an amount equal to:

(i) the Target-Level Bonus for the year in which such date falls; plus

(ii) the greater of:

(A) Executive’s Annual Base Salary at the annual rate in effect on the date of his Involuntary Termination;

(B) Executive’s Annual Base Salary at the annual rate in effect 180 days prior to the date of his Involuntary Termination; and

(C) Executive’s Annual Base Salary at the annual rate in effect immediately prior to a Change of Control if Executive’s employment shall be subject to an Involuntary Termination during the Change of Control Period.

(e) “Board” means the Board of Managers of CEP.

(f) “Cause” means Executive

(i) has engaged in gross negligence, gross incompetence or willful misconduct in the performance of his duties,

(ii) has failed to substantially perform the duties and services reasonably required by the Company; provided, that such failure continues for at least 30 days after Executive’s receipt of written notice of such failure from the Company,

(iii) has willfully engaged in conduct that is materially injurious to CEP or its subsidiaries (monetarily or otherwise),

(iv) has committed an act of fraud, embezzlement or willful breach of a fiduciary duty to the Company or CEP (including the unauthorized disclosure of confidential or proprietary material information of the Company or CEP) or

(v) has been convicted of, pled guilty to, or pleaded no contest to, a crime involving fraud, dishonesty or moral turpitude.

For purposes of this definition, “moral turpitude” means an act of baseness, vileness or depravity in the private and social duties which one owes to his fellow man.

(g) “CEG” means Constellation Energy Group, Inc., a Maryland corporation.

(h) “CEG Acquisition” means the consummation of a reorganization, merger, consolidation, statutory equity exchange or similar form of business transaction involving CEG (a “CEG Business Combination”), unless immediately following such CEG Business Combination: (i) more than 60% of the total voting power of (x) the organization resulting from such CEG Business Combination (the “CEG Surviving Organization”), or (y) if applicable, the ultimate parent organization that directly or indirectly has beneficial ownership of at least 95% of the voting securities eligible to elect managers or directors of the CEG Surviving Organization (the “CEG Parent Organization”), is represented by combined voting power of CEG’s then outstanding securities eligible to vote for the election of the CEG Board (the “CEG Voting Securities”) that were outstanding immediately prior to such CEG Business Combination (or, if applicable, is represented by equity interests into which such CEG Voting Securities were converted pursuant to such CEG Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such CEG Voting Securities among the holders thereof immediately prior to the CEG Business Combination, (ii) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the CEG Surviving Organization or the CEG Parent Organization), is or becomes the beneficial owner, directly or indirectly, of 25% or more (the “CEG Percentage”) of the total voting power of the outstanding voting securities eligible to elect managers or directors of the CEG Parent Organization (or, if there is no CEG Parent Organization, the CEG Surviving Organization) except where such person held the CEG Percentage of CEG Voting Securities immediately prior to the consummation of the CEG Business Combination and (iii) at least a majority of the members of the board of managers or directors of the CEG Parent Organization (or, if there is no CEG Parent Organization, the CEG Surviving Organization) following the consummation of the CEG Business Combination were members of the CEG Board at the time of the CEG Board’s approval of the execution of the initial agreement providing for such CEG Business Combination.

(i) “CEG Board” means the Board of Directors of CEG.

(j) “CEG Ownership Event” means the consummation of any transaction or other event whereby CEG or any of its Affiliates becomes the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 49% or more of CEP’s then-outstanding Common Units.

(k) “Change of Control” shall be deemed to have occurred upon any one or more of the following events:

(i) Board Change.

(A) During any period of 24 consecutive months, individuals who, at the commencement of such period, constitute all of the Class B Managers (the “Incumbent Class B Managers”) cease for any reason to constitute at least a majority of the Class B Managers; provided, however, that any person becoming a Class B Manager subsequent to the commencement of such period, whose election or nomination for election was approved by a vote of at least two Incumbent Class B Managers then on the Board (either by a specific vote or by approval of the proxy statement of CEP in which such person is named as a nominee for Class B Manager, without written objection to such nomination) shall be an Incumbent Class B Manager; provided further, however, that no individual initially elected or nominated as a Class B Manager of CEP as a result of an actual or threatened election contest with respect to Managers or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be an Incumbent Class B Manager; or

(B) Excluding the circumstances described in Section 1.1(k)(i)(C), during any period of 24 consecutive months, individuals who, at the commencement of such period, constitute the Board (each, an “Incumbent Board Member”) cease for any reason to constitute at least a majority of the Board; provided, however, that any person becoming a Class B Manager subsequent to the commencement of such period, whose election or nomination for election was approved by a vote of at least two Incumbent Class B Managers then on the Board (either by a specific vote or by approval of the proxy statement of CEP in which such person is named as a nominee for Class B Manager, without written objection to such nomination) shall be an Incumbent Board Member; provided further, however, that no individual initially elected or nominated as a Class B Manager of CEP as a result of an actual or threatened election contest with respect to Managers or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be deemed to be an Incumbent Class B Manager; or

(C) During the period of 24 consecutive months immediately following the occurrence of a Class A Event, individuals who, at the commencement of such period, constitute the Class A Managers and at least one Class B Manager cease for any reason to serve CEP in such capacities, whether by removal, resignation or otherwise;

(ii) Unit Acquisition. Any “person” (as such term is defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act) is or becomes a “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of CEP representing 25% or more of the combined voting power of CEP’s then outstanding securities eligible to vote for the election of the Board (the “CEP Voting Securities”); provided, however, that none of CEP or its Affiliates shall be

deemed such a person unless CEG or any of its Affiliates shall after the date of this Agreement become the beneficial owner, directly or indirectly, of CEP Voting Securities representing 33 1/3% or more of the CEP Voting Securities then outstanding; and provided further, however, that, except with respect to CEG or any of its Affiliates, the event described in this paragraph (ii) shall not be deemed to be a change in control by virtue of any of the following acquisitions (A) by CEP or any organization with respect to which CEP owns a majority of the outstanding equity interest or has the power to vote or direct the voting of sufficient securities to elect a majority of the Managers (or equivalent) (a "Subsidiary Company"), (B) by any employee benefit plan (or related trust) sponsored or maintained by CEP or any Subsidiary Company, (C) by any underwriter temporarily holding securities pursuant to an offering of such securities, (D) pursuant to a Non-Qualifying Transaction (as defined in paragraph (iii)), or (E) pursuant to any acquisition by Executive or any group of persons including Executive (or any entity controlled by Executive or any group of persons including Executive);

(iii) Business Combination. Consummation of a reorganization, merger, consolidation, statutory equity exchange or similar form of business transaction involving CEP or any Subsidiary Company (a "Business Combination"), unless immediately following such Business Combination: (A) more than 60% of the total voting power of (x) the organization resulting from such Business Combination (the "Surviving Organization"), or (y) if applicable, the ultimate parent organization that directly or indirectly has beneficial ownership of at least 95% of the voting securities eligible to elect managers or directors of the Surviving Organization (the "Parent Organization"), is represented by CEP Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by equity interests into which such CEP Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such CEP Voting Securities among the holders thereof immediately prior to the Business Combination, (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Organization or the Parent Organization), is or becomes the beneficial owner, directly or indirectly, of 25% or more (the "Applicable Percentage") of the total voting power of the outstanding voting securities eligible to elect managers or directors of the Parent Organization (or, if there is no Parent Organization, the Surviving Organization) except where such person held the Applicable Percentage of CEP Voting Securities immediately prior to the consummation of the Business Combination and (C) at least a majority of the members of the board of managers or directors of the Parent Organization (or, if there is no Parent Organization, the Surviving Organization) following the consummation of the Business Combination were Managers at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (any Business Combination that satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "Non-Qualifying Transaction");

(iv) Liquidation. The equity holders of CEP approve a plan of complete liquidation or dissolution of CEP; or

(v) Asset Sale. The consummation of a sale or disposition by CEP of all or substantially all of CEP's assets, other than a sale or disposition where the holders of CEP Voting Securities outstanding immediately prior thereto hold securities immediately thereafter that represent more than 60% of the combined voting power of the voting securities of the acquiror, or parent of the acquiror, of such assets.

Notwithstanding the foregoing, except with respect to CEG or any of its Affiliates, a change in control of CEP shall not be deemed to occur solely because any person acquires beneficial ownership of more than 25% of CEP Voting Securities as a result of the acquisition of CEP Voting Securities by CEP that reduces the number of CEP Voting Securities outstanding; provided, however, that if after such acquisition by CEP such person becomes the beneficial owner of additional CEP Voting Securities that increases the percentage of outstanding CEP Voting Securities beneficially owned by such person, a change in control of CEP shall then occur.

(l) "Class A Event" means the occurrence of any event through which or as a consequence of which (i) CEG shall cease to beneficially own, directly or indirectly, at least 50% of the Class A Units of CEP that are then outstanding (including where CEG or any of its direct or indirect subsidiaries (individually, a "CEG Entity") enters into a total return swap or any other contractual arrangement whereby a CEG Entity transfers any economic interest in at least 50% of the Class A Units of CEP that are then outstanding); (ii) a CEG Acquisition occurs; or (iii) CEG shall cease to have the right, directly or indirectly, to direct the appointment of all Class A Managers pursuant to Section 11.8(d) of the LLC Agreement or otherwise (including where any CEG Entity enters into any contractual arrangement whereby a CEG Entity grants any Person other than a wholly owned CEG Entity the right or option, directly or indirectly, to direct the appointment of any number of the Class A Managers pursuant to Section 11.8(d) of the LLC Agreement or otherwise).

(m) "Change of Control Period" means, with respect to a Change of Control, the two-year period beginning on the date upon which such Change of Control occurs.

(n) "Code" means the Internal Revenue Code of 1986, as amended.

(o) "Compensation Committee" means the Compensation Committee of the Board.

(p) "Disability" means that, as a result of Executive's incapacity due to physical or mental illness, (i) he shall have been absent from the full-time performance of his duties for six consecutive months, (ii) the Board reasonably determines that such incapacity is expected to be suffered for a period of at least 12 consecutive months from the date such absence first occurred and (iii) he shall not have returned to full-time

performance of his duties within 30 days after written notice of disability is given to Executive or his representative by the Company (a “Disability Notice”); provided, however, that such Disability Notice may not be given prior to 30 days before the expiration of such six-month period.

(q) “Effective Date” means May 1, 2009.

(r) “Enhanced Severance Amount” means an amount equal to two times Executive’s Annual Compensation.

(s) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(t) “Event of Good Reason” means:

(i) The occurrence, prior to a Change of Control or after the expiration of a Change of Control Period, of any one or more of the following:

(A) a material reduction in the nature or scope of Executive’s authority or duties from those previously applicable to him; provided, however, that, if Executive holds more than one office, the removal from any offices other than the most senior shall not constitute an Event of Good Reason;

(B) a reduction in Executive’s Annual Base Salary, except with Executive’s prior written consent;

(C) a diminution in Executive’s eligibility to participate in bonus, stock option, incentive award and other compensation plans that provide opportunities to receive compensation that are substantially similar to the opportunities provided by CEP or the Company to executives with comparable duties (subject, in each case to CEP and Executive performance, as applicable);

(D) a change in the location of Executive’s principal place of employment by the Company by more than 60 miles from the location where he was principally employed; provided, however, that such change in the location of Executive’s principal place of employment shall not constitute an Event of Good Reason if Executive consents to such decision to relocate prior to such change in location.

(ii) The occurrence, within a Change of Control Period, of any one or more of the following (except with Executive’s prior written consent):

(A) a material reduction in the nature or scope of Executive’s authority or duties from those applicable to him immediately prior to the date on which a Change of Control occurs;

(B) a reduction in Executive's Annual Base Salary from that provided to him immediately prior to the date on which a Change of Control occurs;

(C) a diminution in Executive's eligibility to participate in bonus, stock option, incentive award and other compensation plans that provide opportunities to receive compensation that are the greater of (A) the opportunities provided by CEP or the Company and any of its subsidiaries for executives with comparable duties or (B) the opportunities under any such plans under which he was participating immediately prior to the date on which a Change of Control occurs;

(D) a material diminution in employee benefits (including medical, dental, life insurance and long-term disability plans) and perquisites applicable to Executive from the greater of (A) the employee benefits and perquisites provided by CEP or the Company and any of its subsidiaries to executives with comparable duties or (B) the employee benefits and perquisites to which Executive was entitled immediately prior to the date on which a Change of Control occurs; or

(E) a change in the location of Executive's principal place of employment by the Company by more than 60 miles from the location where he was principally employed immediately prior to the date on which a Change of Control occurs; provided, however, that such change in the location of Executive's principal place of employment shall not constitute an Event of Good Reason if Executive consents to the decision to relocate prior to such change in location.

(u) "Inducement Award Agreement" means that certain Inducement Award Agreement, dated May 1, 2009, by and between CEP and Executive.

(v) "Involuntary Termination" means any termination of Executive's employment with the Company that:

(i) does not result from a resignation by Executive (other than a resignation pursuant to clause (ii) of this Section 1.1(v));

(ii) results from the Company's delivery of a notice pursuant to Section 3.1 that no automatic extension shall occur upon the Initial Expiration Date; or

(iii) results from a resignation by Executive on or before the date that is 60 days after the occurrence of an Event of Good Reason;

provided, however, that the term "Involuntary Termination" shall not include a termination for Cause or any termination as a result of death or Disability.

(w) “LLC Agreement” means the Second Amended and Restated Operating Agreement of Constellation Energy Partners LLC, dated as of November 20, 2006, as amended, and as may be further amended from time to time.

(x) “Manager” means a member of the Board.

(y) “Omnibus Incentive Plan” means (i) Constellation Energy Partners LLC Long-Term Incentive Plan, (ii) the Constellation Energy Partners LLC 2009 Omnibus Incentive Plan and (iii) any successor plan adopted by CEP or any of its Affiliates for the benefit of the employees of CEP or any of its Affiliates.

(z) “Performance Award” has the meaning given such term in the Omnibus Incentive Plan.

(aa) “Severance Amount” means an amount equal to one and one-half times Executive’s Annual Compensation; provided, however, that, at any time after December 31, 2009, such amount shall include a Target-Level Bonus only if a bonus was paid to or earned by Executive for the most recently completed fiscal year of CEP.

(bb) “Severance Period” means the period commencing on the date of Involuntary Termination and continuing for 12 months thereafter.

(cc) “Special Termination Option” means Executive’s right to terminate his employment hereunder within one year of the first occurrence of a CEG Ownership Event.

(dd) “Target-Based Grant” means an award under the Omnibus Incentive Plan for which eligibility or pay-out is determined by reference to the achievement of a Performance Goal, as such term is defined in the Omnibus Incentive Plan.

(ee) “Target-Level Bonus” means that bonus required or indicated under a Performance Award or other Target-Based Grant under the Omnibus Incentive Plan or other bonus arrangement of CEP or the Company, in each case as if all target performance goals were achieved.

1.2 Interpretations.

(a) General. In this Agreement, unless a clear contrary intention appears, (a) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision, (b) reference to any Article or Section means such Article or Section hereof, (c) the words “including” (and with correlative meaning “include”) means including, without limiting the generality of any description preceding such term and (d) where any provision of this Agreement refers to action to be taken by either party, or that such party is prohibited from taking an action, such provision shall be applicable whether such action is taken directly or indirectly by such party.

(b) Comparable Positions. For purposes of this Agreement, the offices of chief financial officer or general counsel shall be deemed to have comparable duties to those of Executive.

ARTICLE 2 EMPLOYMENT AND DUTIES

2.1 Employment. Effective as of the Effective Date and continuing for the period of time set forth in Section 3.1 of this Agreement (the "Term"), Executive's employment by the Company shall be subject to the terms and conditions of this Agreement.

2.2 Positions. From and after the Effective Date during the Term, the Company shall employ Executive in the position of President, Chief Executive Officer and Chief Operating Officer of CEP and President, Chief Executive Officer and Chief Operating Officer of the Company.

2.3 Duties and Services. Executive agrees to serve in the position(s) referred to in Section 2.2 and to perform diligently the duties and services appertaining to such offices, as well as such additional duties and services appropriate to such offices that CEP or the Company may reasonably designate from time to time. Executive's employment shall also be subject to the policies maintained and established by CEP or the Company that are of general applicability to CEP's or the Company's employees, as such policies may be amended from time to time.

2.4 Other Interests. Executive agrees, during the period of such employment by the Company, to devote substantially all of Executive's business time, energy and efforts to the business and affairs of CEP and the Company.

2.5 Duty of Loyalty. Executive acknowledges and agrees that Executive owes a fiduciary duty of loyalty to act at all times in the best interests of CEP and the Company. In keeping with such duty, Executive shall make full disclosure to CEP and the Company of all business opportunities pertaining to CEP's or the Company's businesses and shall not appropriate for Executive's own benefit business opportunities concerning CEP's or the Company's businesses.

2.6 Disclosure Representation. Executive represents to the Company that no event of the type referred to in Section 1.1(f)(v) has occurred with respect to Executive other than as has been disclosed to the Board.

ARTICLE 3 TERM AND TERMINATION OF EMPLOYMENT

3.1 Term. Unless Executive's employment hereunder is sooner terminated pursuant to other provisions hereof, the Company agrees to employ Executive for the period beginning on the Effective Date and ending on the third anniversary of the Effective Date (the "Initial Expiration Date"); provided, however, that beginning on the Initial Expiration Date, and on each anniversary of the Initial Expiration Date thereafter, if Executive's employment hereunder has not been terminated pursuant to Section 3.2 or Section 3.3, then said term of employment shall automatically be extended for an additional one-year period unless on or before the date that is 180 days prior to the Initial Expiration Date or any anniversary thereof either party shall give written notice to the other that no such automatic extension shall occur.

3.2 The Company's Right To Terminate. Notwithstanding the provisions of Section 3.1, the Company shall have the right to terminate Executive's employment under this Agreement at any time for any of the following reasons:

- (a) upon Executive's death;
- (b) upon Executive's Disability;
- (c) for Cause; or
- (d) for any other reason whatsoever, in the sole discretion of the Board.

3.3 Executive's Right To Terminate. Notwithstanding the provisions of Section 3.1, Executive shall have the right to terminate his employment under this Agreement for any of the following reasons:

- (a) as a result of an Event of Good Reason; provided, however, that prior to Executive's termination as a result of an Event of Good Reason, Executive must give written notice to the Company of the specific occurrence that resulted in the Event of Good Reason and such occurrence must remain uncorrected for 30 calendar days following such written notice; or
- (b) at any time for any other reason whatsoever, in the sole discretion of Executive.

3.4 Notice of Termination. If the Company desires to terminate Executive's employment hereunder at any time prior to expiration of the Term, it shall do so by giving written notice to Executive that it has elected to terminate Executive's employment hereunder and stating the effective date and reason for such termination; provided, however, that no such action shall alter or amend any other provisions of this Agreement or rights arising under this Agreement. If Executive desires to terminate his employment hereunder at any time prior to expiration of the Term, he shall do so by giving a 60-day written notice to the Company that he has elected to terminate his employment hereunder and stating the effective date and reason for such termination; provided, however, that no such action shall alter or amend any other provisions of this Agreement or rights arising under this Agreement.

3.5 Deemed Resignations. Any termination of Executive's employment shall constitute an automatic resignation of Executive as an officer and manager or director, as applicable, (if applicable) of CEP, the Company and each of its Affiliates, unless Executive owns at least 10% of the issued and outstanding CEP Voting Securities, in which case such resignation shall not be deemed an automatic resignation of Executive from the Board, and from the board of directors or similar governing body of any corporation, limited liability company or other entity in which CEP holds an equity interest and with respect to which board or similar governing body Executive serves as CEP's designee or other representative.

ARTICLE 4
COMPENSATION AND BENEFITS

4.1 Base Salary. During the Term, Executive shall receive an initial Annual Base Salary of \$175,000. Executive's Annual Base Salary shall be reviewed by the Compensation Committee on an annual basis, and, in the sole discretion of the Compensation Committee, such Annual Base Salary may be increased, effective as of any date determined by the Compensation Committee. Executive's Annual Base Salary shall be paid in equal installments in accordance with the Company's standard policy regarding payment of compensation to executives but no less frequently than monthly.

4.2 Bonuses.

(a) General. During the Term, the Company shall cause CEP to make yearly grants to Executive of a Performance Award under the Omnibus Incentive Plan; provided, however, that all determinations relating to Executive's participation, including those relating to the performance goals applicable to Executive and Executive's level of participation and payout opportunity, shall be made by the Compensation Committee in its sole discretion.

(b) 2009 Award. The Company shall cause CEP to grant Executive a Performance Award for 2009 with such Performance Metrics (as such term is defined in the Omnibus Incentive Plan) determined by the Committee in its good faith discretion (the "2009 Award"). The 2009 Award shall pay in cash 40% of Executive's initial Annual Base Salary for the achievement of Target-Level Performance and up to 80% of Executive's initial Annual Base Salary for superior performance, in each case as such performance is determined by the Committee in its good faith discretion; provided, however, that, if the Constellation Energy Partners LLC 2009 Omnibus Incentive Compensation Plan has not been approved by the common unitholders of the Company prior to December 31, 2009, the Company shall pay Executive an amount in cash that is equivalent to the amount that would have been payable in respect of the 2009 Award, which payment shall be made contemporaneously with the payment by the Company of bonuses to its other employees, but in no event later than March 31, 2010.

(c) Inducement Bonus. The Company shall pay Executive an aggregate cash bonus of \$262,500 (the "Inducement Cash Bonus"), \$131,250 of which is payable on January 1, 2010 and \$131,250 of which is payable on January 1, 2011.

4.3 Long-Term Incentive. During the Term, the Company shall cause CEP to make yearly long-term incentive grants to Executive under the Omnibus Incentive Plan; provided, however, that all determinations relating to Executive's participation, including those relating to the performance goals applicable to Executive and Executive's level of participation and payout opportunity, shall be made by the Compensation Committee in its sole discretion.

4.4 Life Insurance. To the extent such insurance is available to the Company on commercially reasonable terms, the Company shall obtain, and thereafter maintain at all times prior to the termination of Executive's employment hereunder pursuant to Article 3, a term life

insurance policy with a responsible and reputable insurance company on the life of Executive, in the face amount equal to Executive's then-current Annual Base Salary, which policy shall name any party designated by Executive as the beneficiary thereunder.

4.5 Other Perquisites. During Executive's employment hereunder, Executive shall be afforded the following benefits as incidences of his employment:

(a) Business and Entertainment Expenses. Subject to the Company's standard policies and procedures with respect to expense reimbursement as applied to its employees generally, the Company shall no less frequently than monthly reimburse Executive for, or pay on behalf of Executive, reasonable and appropriate expenses incurred by Executive for business related purposes, including dues and fees to industry and professional organizations and costs of entertainment and business development.

(b) Vacation. During his employment hereunder, Executive shall be entitled each calendar year to such number of days of paid vacation and to all holidays, in each case as provided to employees of the Company generally.

(c) Other Company Benefits. Executive and, to the extent applicable, Executive's spouse, dependents and beneficiaries, shall be allowed to participate in all benefits, plans and programs, including improvements or modifications of the same, that are now, or may hereafter be, available to other executives or employees of the Company. Such benefits, plans and programs shall include any profit sharing plan, thrift plan, health insurance or health care plan, life insurance, disability insurance, pension plan, supplemental retirement plan, vacation and sick leave plan, and the like that may be maintained by the Company. The Company shall not, however, by reason of this paragraph be obligated to institute, maintain or refrain from changing, amending or discontinuing any such benefit plan or program, as long as such changes are similarly applicable to employees generally.

ARTICLE 5

EFFECT OF TERMINATION ON COMPENSATION; ADDITIONAL PAYMENTS

5.1 Termination Other Than an Involuntary Termination.

(a) Except as provided in Section 5.1(b), if Executive's employment hereunder shall terminate upon expiration of the Term because either party has provided the notice contemplated in Section 3.1 or for any other reason except those described in Section 5.2 and Section 5.3, then all compensation and all benefits to Executive under this Agreement shall continue to be provided until the date of such termination of employment, and such compensation and benefits shall terminate contemporaneously with such termination of employment.

(b) If Executive shall die or the Company shall have delivered a Disability Notice, then all compensation and all benefits to Executive under this Agreement shall continue to be provided until the date of such death or the date on which the Disability Notice is delivered; provided, however, that (i) the award of Restricted Units made

pursuant to the Inducement Award Agreement and all awards under the Omnibus Incentive Plan (including the award made pursuant to the 2009 LTI Grant Agreement) shall immediately accelerate, if then unvested, and vest in Executive or the legal representative of his estate and the Company shall pay to Executive or the legal representative of his estate any part of the Inducement Cash Bonus not already paid to Executive; and (ii) for the year in which Executive's death or the Company's delivery of a Disability Notice, as applicable, occurs, the Company shall pay to Executive or the legal representative of his estate the applicable Target-Level Bonus, pro rated for the number of days elapsed in such year at the time of such death or delivery, as applicable.

5.2 Involuntary Termination Other Than During a Change of Control Period. If Executive's employment hereunder shall be subject to an Involuntary Termination that occurs prior to a Change of Control or after the expiration of a Change of Control Period, then the Company shall, subject to Section 5.7, pay to Executive, as additional compensation for services rendered to the Company (including CEP and its subsidiaries), the following amounts and take the following actions after the last day of Executive's employment with the Company:

(a) Pay Executive a lump-sum cash payment in an amount equal to the Severance Amount plus any part of the Inducement Cash Bonus not already paid to Executive, which lump-sum cash payment shall be made on the first day the timing of which would not cause any part of the Severance Amount or such part of the Inducement Cash Bonus to be subject to additional taxes or interest under Section 409A of the Code.

(b) Cause (i) the Restricted Units and related Distribution Credits granted pursuant to the Inducement Award Agreement and (ii) any and all outstanding options and other non-vested service-based awards under the Omnibus Incentive Plan (including the Notional Units and related Distribution Credits granted pursuant to the 2009 LTI Grant Agreement), that are held by Executive, to become immediately vested, earned and exercisable in full and cause Executive's accrued benefits under any and all nonqualified deferred compensation plans sponsored by CEP or the Company to become immediately nonforfeitable.

(c) Cause Executive and those of his dependents (including Executive's spouse) who were covered under the Company's medical and dental benefit plans on the day prior to Executive's Involuntary Termination to continue to be covered under such plans (or to receive equivalent benefits) throughout the Severance Period at no greater cost to Executive than that applicable to a similarly situated Company employee who has not terminated employment; provided, however, that

(i) such coverage shall terminate if and to the extent Executive becomes eligible to receive medical and dental coverage from a subsequent employer (and any such eligibility shall be promptly reported to the Company by Executive),

(ii) if Executive (and/or Executive's spouse) would have been entitled to retiree medical and/or dental coverage under the Company's plans had Executive voluntarily retired on the date of such Involuntary Termination, then such coverages shall be continued as provided under such plans, and

(iii) such coverage to Executive (or the receipt of equivalent benefits) shall be provided under one or more insurance policies so that reimbursement or payment of benefits to Executive thereunder shall not result in taxable income to Executive (or, if any such reimbursement or payment of benefits is taxable to Executive, then the Company shall pay to Executive an amount (the “tax gross-up payment”) equal to an amount as is required to hold Executive harmless from any additional tax liability (including liability under Section 409A of the Code) relating to such reimbursement or payment). Any such tax gross-up payment shall be made as soon as practicable after Executive remits the taxes, but in all events within 30 days of such remittance.

The Company shall pay any premiums arising from such coverage on a monthly basis.

5.3 Involuntary Termination During a Change of Control Period; Special Termination Option. If (X) Executive’s employment hereunder shall be subject to an Involuntary Termination (i) following a Change of Control and (ii) during a Change of Control Period or (Y) Executive shall have delivered notice to the Company of his exercise of the Special Termination Option within one year following the first occurrence of a CEG Ownership Event, then the Company shall, subject to Section 5.7, pay to Executive, as additional compensation for services rendered to the Company (including CEP and its subsidiaries), the following amounts and take the following actions after the last day of Executive’s employment with the Company:

(a) Pay Executive a lump-sum cash payment in an amount equal to the Enhanced Severance Amount plus any part of the Inducement Cash Bonus not already paid to Executive, which lump-sum cash payment shall be made on the first day the timing of which would not cause any part of the Enhanced Severance Amount or such part of the Inducement Cash Bonus to be subject to additional taxes or interest under Section 409A of the Code.

(b) Pay Executive a lump-sum cash payment in respect of the Performance Award under the Omnibus Incentive Plan for the then-current year, which amount (the “Current-Year PA Payment”) shall be paid out as if Target-Level Performance will have been achieved for such year; provided, however, that the Current-Year PA Payment shall be prorated based on the number of whole or partial months that have occurred as of the date of such Involuntary Termination. The Current-Year PA Payment shall be made on the first day the timing of which would not cause any part of such payment to be subject to additional taxes or interest under Section 409A of the Code.

(c) Pay Executive a lump-sum cash payment under the Omnibus Incentive Plan for any Target-Based Grants for the then-current year (not including any Performance Awards), which amount (the “Other TBG Payment”) shall be paid out as if Target-Level Performance will be achieved for such year; provided, however, that the Other TBG Payment shall be prorated based on the number of whole or partial months that have occurred as of the date of such Involuntary Termination. The Other TBG

Payment shall be made on the first day the timing of which would not cause any part of such payment to be subject to additional taxes or interest under Section 409A of the Code.

(d) Cause (i) the Restricted Units and related Distribution Credits granted pursuant to the Inducement Award Agreement and (ii) any and all outstanding options and other non-vested service-based awards under the Omnibus Incentive Plan (including the Notional Units and related Distribution Credits granted pursuant to the 2009 LTI Grant Agreement), that are held by Executive, to become immediately vested, earned and exercisable in full and cause Executive's accrued benefits under any and all nonqualified deferred compensation plans sponsored by CEP or the Company to become immediately nonforfeitable.

(e) Cause Executive and those of his dependents (including Executive's spouse) who were covered under the Company's medical and dental benefit plans on the day prior to Executive's Involuntary Termination to continue to be covered under such plans (or to receive equivalent benefits) throughout the Severance Period at no greater cost to Executive than that applicable to a similarly situated Company employee who has not terminated employment; provided, however, that

(i) such coverage shall terminate if and to the extent Executive becomes eligible to receive medical and dental coverage from a subsequent employer (and any such eligibility shall be promptly reported to the Company by Executive),

(ii) if Executive (and/or Executive's spouse) would have been entitled to retiree medical and/or dental coverage under the Company's plans had Executive voluntarily retired on the date of such Involuntary Termination, then such coverages shall be continued as provided under such plans, and

(iii) such coverage to Executive (or the receipt of equivalent benefits) shall be provided under one or more insurance policies so that reimbursement or payment of benefits to Executive thereunder shall not result in taxable income to Executive.

The Company shall pay any premiums arising from such coverage on a monthly basis.

(f) Should any amount paid or benefit delivered pursuant to this Section 5.3 result in an excise tax payable by Executive, the Company shall pay to Executive an amount (the "tax gross-up payment") as is required to hold Executive harmless from such excise tax and any additional tax liability arising as a result of any part of the tax gross-up payment. Any such tax gross-up payment shall be made as soon as practicable after Executive remits the taxes, but in all events within 30 days of such remittance.

5.4 Interest on Late Payments. If any payment provided for in Section 5.1, Section 5.2 or Section 5.3 hereof is not made when due, then the Company shall pay to Executive interest on the amount payable from the date that such payment should have been made under such Section until such payment is made, which interest shall be calculated, on a

per-annum basis, at 2% plus the prime or base rate of interest as reported from time to time in the *Wall Street Journal*, and shall further hold Executive harmless from any liability under Section 409A of the Code.

5.5 Liquidated Damages. In light of the difficulties in estimating the damages for an early termination of Executive's employment under this Agreement, the Company and Executive hereby agree that the payments, if any, to be received by Executive pursuant to this Article 5 shall be received by Executive as liquidated damages.

5.6 Other Benefits. This Agreement governs the rights and obligations of Executive and the Company with respect to Executive's base salary and certain perquisites of employment. Except as expressly provided herein, Executive's rights and obligations both during the term of his employment and thereafter with respect to unit options, restricted units, incentive and deferred compensation, life insurance policies insuring the life of Executive and other benefits under the plans and programs maintained by the Company shall be governed by the separate agreements, plans and other documents and instruments governing such matters.

5.7 Release. As a condition to the Company's obligations arising under Section 5.2 and Section 5.3, Executive shall first execute and deliver to the Company a release, in the form reasonably established by the Compensation Committee, releasing the Company, CEP and their respective Affiliates, officers, managers, directors, employees and agents, from any and all claims and from any and all causes of action of any kind or character, including all claims and causes of action arising out of Executive's employment hereunder or the termination of such employment. The performance of the Company's obligations under Section 5.2 and Section 5.3 and the receipt of the severance benefits provided thereunder by Executive shall constitute full settlement of all such claims and causes of action. Executive shall not be under any duty or obligation to seek or accept other employment following a termination of employment pursuant to which severance benefits under Section 5.2 and Section 5.3 are owing and any amounts due Executive pursuant to Section 5.2 and Section 5.3 shall not be reduced or suspended if Executive accepts subsequent employment or earns any amounts as a self-employed individual. Executive's rights under Section 5.2 and Section 5.3 are Executive's sole and exclusive rights against the Company and any of its Affiliates and the Company's and its Affiliates' sole and exclusive liability to Executive under, by reason of or related to this Agreement, whether in contract, tort or otherwise, for the termination of his employment by the Company. Nothing contained in this Section 5.7 shall be construed to be a waiver by Executive of any benefits accrued for or due Executive under any employee benefit plan (as such term is defined in the Employees' Retirement Income Security Act of 1974, as amended) maintained by the Company, CEP or any of their respective subsidiaries except that Executive shall not be entitled to any severance benefits pursuant to any severance plan or program of the Company, CEP or any of their respective subsidiaries.

ARTICLE 6
OTHER AGREEMENTS

6.1 Protection of Confidential Information.

(a) Disclosure to and Property of CEP or the Company. All information, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed or acquired by Executive, individually or in conjunction with others, during the period of Executive's employment by the Company (whether during business hours or otherwise and whether on the Company's premises or otherwise) that relate to CEP's or the Company's business, trade secrets, products or services (including all such information relating to corporate opportunities, product specification, compositions, manufacturing and distribution methods and processes, research, financial and sales data, pricing terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within a customer's organizations or within the organization of acquisition prospects, marketing and merchandising techniques, business plans, computer software or programs, computer software and database technologies, prospective names and marks) (collectively, the "Confidential Information") shall be disclosed to CEP or the Company and are and shall be the sole and exclusive property of the Company. Moreover, all documents, videotapes, written presentations, brochures, drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, e-mail, voice mail, electronic databases, maps, drawings, architectural renditions, models and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, inventions and other similar forms of expression (collectively, "Work Product") are and shall be the sole and exclusive property of the Company. Upon Executive's termination of employment hereunder, for any reason, Executive shall promptly deliver such Confidential Information and Work Product, and all copies thereof, to the Company.

(b) Disclosure to Executive. The Company has and will disclose to Executive, or place Executive in a position to have access to or develop, Confidential Information and Work Product of CEP or the Company; and/or has and will entrust Executive with business opportunities of CEP or the Company; and/or has and will place Executive in a position to develop business goodwill on behalf of CEP or the Company. Executive agrees to preserve and protect the confidentiality of all Confidential Information or Work Product.

(c) No Unauthorized Use or Disclosure. Executive agrees that he will not, at any time during or after Executive's employment hereunder, make any unauthorized disclosure of, and will prevent the removal from CEP's or the Company's premises of, Confidential Information or Work Product, or make any use thereof, except in the carrying out of Executive's responsibilities during the course of Executive's employment hereunder. Executive shall use commercially reasonable efforts to cause all persons or entities to whom any Confidential Information shall be disclosed by him under this Agreement to observe the terms and conditions set forth herein as though each such

person or entity was bound hereby. Executive shall have no obligation under this Agreement to keep confidential any Confidential Information if and to the extent that disclosure thereof is specifically required by law; provided, however, that in the event disclosure is required by applicable law, Executive shall provide the Company with prompt notice of such requirement prior to making any such disclosure so that the Company may seek an appropriate protective order. At the request of the Company at any time, Executive agrees to deliver to the Company all Confidential Information that he may possess or control. Executive agrees that all Confidential Information (whether now or hereafter existing) conceived, discovered or made by him during the period of Executive's employment hereunder exclusively belongs to the Company (and not to Executive), and Executive will promptly disclose such Confidential Information to the Company and perform all actions reasonably requested by the Company to establish and confirm such exclusive ownership. Affiliates of the Company, shall be third-party beneficiaries of Executive's obligations under this Section 6.1. As a result of Executive's employment hereunder, Executive may also from time to time have access to, or knowledge of, confidential information or work product of third parties, such as customers, suppliers, partners, joint venturers and the like, of CEP or the Company. Executive also agrees to preserve and protect the confidentiality of such third-party confidential information and work product to the same extent, and on the same basis, as the Confidential Information and Work Product.

(d) Ownership by the Company. If, during Executive's employment hereunder, Executive creates any work of authorship fixed in any tangible medium of expression that is the subject matter of copyright (such as videotapes, written presentations, computer programs, e-mail, voice mail, electronic databases, drawings, maps, architectural renditions, models, manuals, brochures or the like) relating to CEP's or the Company's business, products or services, whether such work is created solely by Executive or jointly with others (whether during business hours or otherwise and whether on CEP's or the Company's premises or otherwise), including any Work Product, the Company shall be deemed the author of such work if the work is prepared by Executive in the scope of Executive's employment; or, if the work is not prepared by Executive within the scope of Executive's employment but is specially ordered by the Company as a contribution to a collective work, as a part of an audiovisual work, as a translation, as a supplementary work, as a compilation or as an instructional text, then the work shall be considered to be work made-for-hire, and the Company shall be the author of the work. If such work is neither prepared by Executive within the scope of Executive's employment nor a work specially ordered that is deemed to be a work made-for-hire, then Executive hereby agrees to assign, and by these presents does assign, to the Company all of Executive's worldwide right, title and interest in and to such work and all rights of copyright therein.

(e) Assistance By Executive. During the period of Executive's employment hereunder and thereafter, Executive shall reasonably assist the Company and its nominee, at any time, in (a) the protection of the Company's worldwide right, title and interest in and to Work Product, (b) the execution of all formal assignment documents requested by the Company or its nominee and (c) the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries.

(f) Remedies. Executive acknowledges that money damages would not be a sufficient remedy for any breach of this Section 6.1 by Executive, and the Company shall be entitled to enforce the provisions of this Section 6.1 by terminating payments then owing to Executive under this Agreement or otherwise and to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 6.1 but shall be in addition to all remedies available at law or in equity, including the recovery of damages from Executive and his agents.

6.2 Non-Disparagement. Except as required by law, for a period of one year immediately following any termination of Executive's employment hereunder (a) Executive agrees to refrain from making any statement disparaging CEP or the Company, any officer, manager, employee or other service provider for CEP or the Company, or any product or service offered by CEP, the Company or any of their respective Affiliates; and (b) the Company agrees to refrain from making any statement disparaging Executive.

6.3 Non-Solicitation. For a period of one year immediately following any termination of Executive's employment hereunder, Executive shall not directly or indirectly solicit, induce, recruit, encourage or otherwise endeavor to cause or attempt to cause any employee or consultant of CEP or the Company to terminate their relationship with CEP or the Company, as the case may be; provided, however, that nothing in this Section 6.3 shall prohibit the use of a general solicitation in a publication or by other means.

6.4 Claw-back.

(a) Post-Termination Payments. Executive agrees to promptly repay to the Company all payments made pursuant to any of Section 5.2, Section 5.3, Section 5.4 or Section 5.5 if there has been a final and non-appealable judgment entered by a court of competent jurisdiction that found willful misconduct by Executive in the performance of his duties prior to the termination of his employment hereunder.

(b) Pre-Termination Bonuses. Executive agrees to promptly repay to the Company any Overpayment in the event of any restatement of CEP's financial statements that are filed with the Securities and Exchange Commission. For purposes of this Section 6.4(b), "Overpayment" means the excess, if any, of (i) the amounts actually paid by the Company pursuant to Section 4.2 for the two years immediately prior to such restatement over (ii) the amounts that should have been paid pursuant to Section 4.2 for those two years based on the financial results reflected in such restated financial statements.

ARTICLE 7 MISCELLANEOUS

7.1 Indemnification. If Executive shall obtain any money judgment or otherwise prevail with respect to any litigation brought by Executive or the Company to enforce or interpret any provision contained herein, the Company, to the fullest extent permitted by

applicable law, hereby indemnifies Executive for his reasonable attorneys' fees, other reasonable professional fees and disbursements incurred in such litigation and hereby agrees (i) to reimburse Executive in full all such fees and disbursements and (ii) to pay prejudgment interest on any money judgment obtained by Executive from the earliest date that payment to him should have been made under this Agreement until such judgment shall have been paid in full, which interest shall be calculated, on a per-annum basis, at 2% plus the prime or base rate of interest as reported from time to time in the *Wall Street Journal*. All reimbursement obligations arising pursuant to this Section 7.1 shall remain in effect throughout the applicable statute of limitations applicable to any contractual claim under this Agreement. Any expenses eligible for reimbursement hereunder shall not affect the expenses eligible for reimbursement in any other calendar year. The right to reimbursement hereunder is not subject to liquidation or exchange for another benefit.

7.2 Payment Obligations Absolute. Except as specifically provided in Section 6.1(f), the Company's obligation to pay Executive the amounts and to make the arrangements provided in this Agreement shall be absolute and unconditional and shall not be affected by any circumstances, including any set-off, counterclaim, recoupment, defense or other right that CEP, the Company or any of their respective subsidiaries may have against him or anyone else. All amounts payable by the Company (including its subsidiaries) shall be paid without notice or demand. Executive shall not be obligated to seek other employment in mitigation of the amounts payable or arrangements made under any provision of this Agreement, and, except as provided in Section 5.2(c) or Section 5.3(e) hereof, the obtaining of any such other employment shall in no event effect any reduction of the Company's obligations to make (or cause to be made) the payments and arrangements required to be made under this Agreement.

7.3 Notices. For purposes of this Agreement, notices and all other communications provided in this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, or when sent by recognized overnight delivery service, addressed as follows:

If to the Company:

Constellation Energy Partners LLC
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002
Attention: Legal Department

If to Executive:

Michael B. Hiney
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

7.4 Applicable Law. This Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Texas, without reference to its choice of law provisions.

7.5 No Waiver. No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

7.6 Severability. Any provision in this Agreement that is prohibited or unenforceable in any jurisdiction by reason of applicable law shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same agreement.

7.8 Withholding of Taxes and Other Employee Deductions. The Company may withhold from any benefits and payments made pursuant to this Agreement all federal, state, city and other taxes as may be required pursuant to any law or governmental regulation or ruling and all other normal employee deductions made with respect to the Company's employees generally.

7.9 Headings. The Article, Section and paragraph headings have been inserted herein for purposes of convenience and shall not be used for interpretive purposes.

7.10 Gender and Plurals. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely.

7.11 Assignment. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company, by merger or otherwise. This Agreement shall also be binding upon and inure to the benefit of Executive and his estate. If Executive shall die prior to full payment of amounts due pursuant to this Agreement, such amounts shall be payable pursuant to the terms of this Agreement to his estate. Executive shall not have any right to pledge, hypothecate, anticipate or assign this Agreement or the rights hereunder, except by will or the laws of descent and distribution.

7.12 Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to such subject matter. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Agreement and relating to the subject matter hereof (including the Offer Letter) are hereby null and void and of no further force and effect, including all prior employment and severance agreements, if any, by and between the Company and Executive. Any modification of this Agreement will be effective only if it is in writing and signed by both parties.

7.13 CEP Agreements.

(a) Offer Letter Termination. CEP and Executive agree that the Offer Letter is hereby terminated and of no further force or effect.

(b) CEP Guaranty. CEP hereby unconditionally and irrevocably guarantees to Executive the prompt and full discharge by the Company of all of the Company's covenants, agreements, obligations and liabilities under this Agreement (the "Company Obligations") in accordance with the terms hereof. CEP hereby guarantees to Executive full and complete performance by the Company of each and all of the Obligations, including the due and punctual payment of all amounts that may become due and payable to Executive hereunder. CEP acknowledges and agrees that, with respect to all Company Obligations that are obligations to pay money, such guaranty shall be a guaranty of payment and not of collection. If the Company shall default in the due and punctual performance of any of the Company Obligations, including the full and timely payment of any amounts owed pursuant to the Company Obligations, CEP will forthwith perform or cause to be performed such Company Obligations and will forthwith make full payment of any amount due with respect thereto at its sole cost and expense and without notice or demand by Executive or the necessity of exhausting Executive's remedies against the Company in respect of such Company Obligations. Without limiting the generality of the remaining terms and conditions of this Agreement, the parties to this Agreement agree and acknowledge that nothing in this Section 7.13(b) shall hinder the Company in the full exercise of its right to terminate the employment of Executive pursuant to Section 3.2.

(c) CEP Not Employer. The Company, CEP and Executive each acknowledge and agree that CEP is a party to this Agreement solely for the limited purpose making the agreements set out in this Section 7.13 and nothing in this Agreement is intended to make CEP the employer of Executive for any purpose.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date.

THE COMPANY:

CEP SERVICES COMPANY, INC.

By: /s/ Stephen R. Brunner
Name: Stephen R. Brunner
Title: President, Chief Executive Officer and Chief
Operating Officer

EXECUTIVE

/s/ Michael B. Hiney
Michael B. Hiney

CEP:

CONSTELLATION ENERGY PARTNERS LLC
(solely for purposes of agreeing to Section 7.13 of this
Agreement)

By: /s/ Stephen R. Brunner
Name: Stephen R. Brunner
Title: President, Chief Executive Officer and Chief
Operating Officer

INDUCEMENT AWARD AGREEMENT

THIS INDUCEMENT AWARD AGREEMENT (this “*Award Agreement*”) is made on May 1, 2009 by and between Constellation Energy Partners LLC, a Delaware limited liability company (“*CEP*”), and Stephen R. Brunner (“*Executive*”).

WHEREAS, the Board of Managers (the “*Board*”) of CEP has determined that it is in the best interests of CEP to grant inducement bonuses to, among other things, promote the interests of CEP by enhancing the ability of CEP and its subsidiaries to attract and retain the services of individuals who are essential for the growth and profitability of CEP and to encourage them to devote their best efforts to advancing the business of CEP and its subsidiaries;

WHEREAS, in order to induce Executive to enter into that certain Offer Letter, dated as of December 31, 2008, between Executive and CEP (the “*Offer Letter*”), CEP agreed to make an inducement grant to Executive of a number of restricted common units representing limited liability company interests in CEP (the “*Grant*”), which restricted common units, when coupled with an amount of cash, would equal \$600,000 on the grant date; and

WHEREAS, the Board has determined that the Grant shall be comprised of 53,957 restricted common units (the “*Restricted Units*”) in satisfaction of CEP’s obligation under the Offer Letter to make an inducement grant, which number of Restricted Units is based on the closing price of the Common Units on the NYSE Arca Equities, Inc. on December 31, 2008; and

WHEREAS, CEP (for a limited purpose), Executive and CEP Services Company, Inc., a Delaware corporation and CEP’s wholly owned subsidiary (“*CSCI*”), are entering into that certain Employment Agreement, dated as of May 1, 2009 (the “*Employment Agreement*”) contemporaneously herewith, which agreement supersedes the Offer Letter;

WHEREAS, the Grant has been approved by the Compensation Committee of the Board and is being made pursuant to the exemption from securityholder approval provided in Rule 5.3(d)(5)(A) of the NYSE Arca Rules;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Construction.

(a) *Definitions*. As used herein, the following terms shall have the meanings set forth below:

“*Affiliate*” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“*Award Agreement*” has the meaning set forth in the preamble hereto.

“Board” has the meaning set forth in the recitals to this Award Agreement.

“CEP” has the meaning set forth in the preamble to this Award Agreement.

“Closing Price” means the closing sales price of a Common Unit on the applicable date (or if there is no trading in the Common Units on such date, on the next preceding date on which there was trading) as reported in The Wall Street Journal (or other reporting service approved by the Committee). In the event Common Units are not publicly traded at the time such value is required to be made hereunder, the determination of Closing Price shall be made in good faith by the Committee.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means the Compensation Committee of the Board.

“Common Unit” means a common unit of CEP, representing limited liability company interests.

“Employment Agreement” has the meaning set forth in the recitals to this Award Agreement.

“Executive” has the meaning set forth in the preamble to this Award Agreement.

“Grant” has the meaning set forth in the recitals to this Award Agreement.

“Offer Letter” has the meaning set forth in the recitals to this Award Agreement.

“Person” means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

“Restricted Period” means the period from May 1, 2009 to December 31, 2010.

“Restricted Units” has the meaning set forth in the recitals to this Award Agreement.

“Tranche” means either the First Tranche or Second Tranche, as such terms are defined in Section 2(b).

(b) *Construction*. In this Award Agreement, unless a clear contrary intention appears, (a) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Award Agreement as a whole and not to any particular Section or other subdivision, (b) reference to any Section means such Section hereof and (c) the words “including” (and with correlative meaning “include”) means including, without limiting the generality of any description preceding such term.

2. Grant of Restricted Units; Vesting; Administration.

(a) *Grant*. CEP hereby grants to Executive all right, title and interest in and to the record and beneficial ownership of the Restricted Units, subject to the conditions described herein.

(b) *Vesting*. Subject to Section 3(c), all rights to the Restricted Units shall fully vest in Executive and the restrictions set forth in Section 3(c) and Section 3(d) shall lapse as follows:

(i) on January 1, 2010 with respect to 26,979 Restricted Units (the “First Tranche”); and

(ii) on January 1, 2011 with respect to 26,978 Restricted Units (the “Second Tranche”).

(c) *Administration*.

(i) Issuance. The Restricted Units awarded hereunder shall be evidenced in book-entry form in the name of Executive.

(ii) Sources of Common Units Deliverable Under Grant. Any Common Units delivered pursuant to this Award Agreement shall consist, in whole or in part, of Common Units acquired in the open market, from any Affiliate, CEP or any other Person, or any combination of the foregoing as determined by the Committee in its sole discretion.

(iii) Adjustments. In the event that the Committee determines that any distribution (whether in the form of cash, Common Units, other securities or other property), recapitalization, split, reverse split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Units or other securities of CEP, issuance of warrants or other rights to purchase Common Units or other securities of CEP, or other similar transaction or event affects the Common Units such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Award Agreement, then the Committee shall, in such manner as it may deem equitable, adjust the number and type of Common Units (or other securities or property) subject to the Award Agreement hereunder or, if deemed appropriate by the Committee, make provision for a cash payment to Executive; provided, however, that the number of Common Units subject to the Grant shall always be a whole number; and, provided further, that the Committee shall not take any action otherwise authorized under this paragraph (b) to the extent that (i) such action would cause (A) the application of Section 409A of the Code to the Award Agreement or (B) create adverse tax consequences under Section 409A of the Code should that Code Section apply to the Award Agreement or (ii) except as permitted in Section 4, materially reduce the benefit to Executive without the consent of Executive.

3. Ownership Rights; Risk of Forfeiture; Transfer Restrictions.

(a) *Ownership Rights.* Subject to the restrictions set forth herein, including Section 3(b), Executive is entitled to all voting and ownership rights applicable to the Restricted Units.

(b) *Pre-vesting Distributions.*

(i) Distribution Credits. Prior to vesting pursuant to Section 2(b), Executive shall, for each Tranche, receive book-entry distribution credits ("Distribution Credits") for any distributions paid by CEP on Common Units.

(ii) Accumulation of Distribution Credits. Until a Tranche has vested pursuant to Section 2(b), CEP shall, upon payment of a distribution in respect of Common Units, record Distribution Credits in respect of that Tranche in an amount equal to (i) the number of Restricted Units in such Tranche multiplied by the per-unit distribution amount so paid, divided by (ii) the per-unit Closing Price on the payment date of such distribution.

(iii) Earning and Settlement of Distribution Credits. The Distribution Credits accumulated with respect to a Tranche shall be earned upon the vesting of such Tranche pursuant to Section 2(b). Upon vesting of a Tranche pursuant to Section 2(b), any Distribution Credits accumulated with respect to such Tranche shall, at the discretion of the Committee, be settled in cash or Common Units.

(A) For Distribution Credits to be settled in cash, the amount of such payment shall be equal to the aggregate number of earned Distribution Credits to be settled in cash multiplied by the per-unit Closing Price on the date such Tranche vests pursuant to Section 2(b).

(B) For Distribution Credits to be settled in Common Units, CEP shall issue a number of whole Common Units equal to the aggregate number of earned Distribution Credits to be settled in Common Units; provided, however, that any Distribution Credits that would have resulted in the issuance of a fractional Common Unit pursuant to this Section 3(b)(iii)(B), shall instead be settled in cash in accordance with Section 3(b)(iii)(A).

(c) *Risk of Forfeiture.*

(i) General. Subject to Section 3(c)(ii), upon termination of Executive's employment with or services to CEP and its Affiliates (including CSCI) for any reason during the applicable Restricted Period, all Restricted Units not then vested pursuant to Section 2(b) and Distribution Credits not then earned pursuant to Section 3(b)(iii) shall be automatically forfeited by Executive. The Committee may, in its discretion, waive in whole or in part such forfeiture.

(ii) Employment Agreement. Notwithstanding Section 3(c)(i) and anything to the contrary herein, if Executive's Employment Agreement (defined below) provides

for a treatment of the Restricted Units and Distribution Credits that differs from Section 3(c)(i), the terms of Executive's Employment Agreement shall control upon the termination of Executive's employment by CEP or its Affiliates (including CSCI). "Employment Agreement" means that certain Employment Agreement, dated as of May 1, 2009, entered into by and among CEP, CSCI and Executive, as such agreement may be amended from time to time.

(d) Transfer Restrictions.

(i) Except as provided in Section 3(d)(iii), this Award Agreement shall be payable only to Executive during Executive's lifetime, or to the person to whom Executive's rights shall pass by will or the laws of descent and distribution.

(ii) Except as provided in Section 3(d)(iii), none of the Award Agreement, any Restricted Units or Distribution Credits may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by Executive and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against CEP or any of its Affiliates.

(iii) The Restricted Units and Distribution Credits may be transferred by Executive without consideration to immediate family members or related family trusts, family limited partnerships or similar entities.

4. Adjustments.

Except to the extent prohibited by applicable law, the Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, this Award Agreement in recognition of unusual or nonrecurring events (including the events described in Section 2(c)(iii)) affecting CEP or the financial statements of CEP, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available to Executive under this Award Agreement.

5. General Provisions.

(a) Tax Withholding.

(i) CEP or any Affiliate is authorized to withhold from any payment due or transfer made pursuant to this Award Agreement or from any compensation or other amount owing to a Participant the amount (in cash, Common Units, other securities, Common Units that would otherwise be issued pursuant to this Award Agreement or other property) of any applicable taxes payable at the minimum statutory rate in respect of this Award Agreement, the lapse of restrictions thereon or any payment or transfer under the Award Agreement and to take such other action as may be necessary in the opinion of CEP to satisfy its withholding obligations for the payment of such taxes.

(ii) All Common Units to be issued pursuant to this Award Agreement shall be net of tax withholding, such that the tax withholding obligation of Executive in respect of this Award Agreement and such Common Units is satisfied through the retention by CEP of a number of Common Units equal to Executive's aggregate tax withholding obligation divided by the per-unit Closing Price for the date immediately prior to the date of such issuance of Common Units.

(iii) Executive agrees that, if he or she makes an election under Section 83(b) of the Code with regard to the Restricted Units, Executive will so notify CEP in writing within two (2) days after making such election.

(b) *No Right to Employment or Services.* Nothing in this Award Agreement shall be construed as granting Executive the right to be retained in the employ of CEP or any of its Affiliates. Subject to the terms of the Employment Agreement, CEP or an Affiliate may at any time dismiss Executive from employment, free from any liability or any claim under this Award Agreement other than as provided under Section 3(c)(ii).

(c) *Governing Law.* This Award Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Delaware, without reference to its choice of law provisions.

(d) *Section 409A of the Code.* Notwithstanding anything in this Award Agreement to the contrary, this Award Agreement (i) is designed to avoid application of Section 409A of the Code to the Award Agreement and (ii) is designed to avoid adverse tax consequences under Section 409A of the Code should that Section apply to this Award Agreement. If any provision hereof would result in the imposition of an applicable tax under Section 409A of the Code and related regulations and pronouncements, that provision will be reformed to the extent reformation would avoid imposition of the applicable tax and no action taken to comply with Section 409A of the Code shall be deemed to adversely affect Executive's rights to the Restricted Units or to require Executive's consent.

(e) *Severability.* If any provision in this Award Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any Person, or would disqualify the Award Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Award Agreement, such provision shall be stricken as to such jurisdiction or person and the remainder of the Award Agreement shall remain in full force and effect.

(f) *Other Laws.* The Committee may refuse to issue or transfer any Common Units or other consideration under this Award Agreement if, in its sole discretion, it determines that the issuance or transfer of such Common Units or such other consideration might violate any applicable law or regulation, the rules of the principal securities exchange on which the Common Units are then traded, or entitle CEP or an Affiliate to recover the same under Section 16(b) of the Securities Exchange Act of 1934, as amended, and any payment tendered to CEP by Executive, other holder or beneficiary shall be promptly refunded to the relevant Executive, holder or beneficiary.

(g) *No Trust or Fund Created.* This Award Agreement shall not create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between CEP or any participating Affiliate and Executive. To the extent that any Person acquires a right to receive payments or securities from CEP or any participating Affiliate pursuant to this Award Agreement, such right shall be no greater than the right of any general unsecured creditor of CEP or any participating Affiliate.

(h) *No Fractional Units.* No fractional Common Units shall be issued or delivered pursuant to this Award Agreement, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional Common Units or whether such fractional Common Units or any rights thereto shall be canceled, terminated or otherwise eliminated.

(i) *Headings.* Headings are given to the Sections and subsections of this Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Award Agreement or any provision thereof.

(j) *Facility Payment.* Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Committee, is unable to properly manage his financial affairs, may be paid to the legal representative of such person, or may be applied for the benefit of such person in any manner which the Committee may select, and CEP and its Affiliates shall be relieved of any further liability for payment of such amounts.

(k) *Gender and Number.* Words in the masculine gender shall include the feminine gender, the plural shall include the singular and the singular shall include the plural.

(l) *No Guarantee of Tax Consequences.* None of the Board, CEP, nor the Committee makes any commitment or guarantee to Executive that any federal, state or local tax treatment will apply or be available to any Person eligible for benefits under this Award Agreement.

(m) *Certain Restrictions.* By executing this Award Agreement, Executive acknowledges that he or she has access to all documents filed by CEP with the Securities and Exchange Commission and has been provided a reasonable opportunity to ask questions of and receive answers from representatives of CEP regarding such matters. Executive agrees that he or she will enter into such representations, warranties and agreements and shall execute such documents as CEP may reasonably request in order to comply with the securities law or any other applicable laws, rules or regulations or with the terms of this Award Agreement.

(n) *No Waiver.* No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Award Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

(o) *Counterparts*. This Award Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same agreement.

(p) *Notices*. For purposes of this Award Agreement, notices and all other communications provided in this Award Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, or when sent by recognized overnight delivery service, addressed as follows:

If to CEP:

Constellation Energy Partners LLC
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002
Attention: Legal Department

If to Executive:

Stephen R. Brunner
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

(q) Entire Agreement. This Award Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to such subject matter. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Award Agreement and relating to the subject matter hereof (including the Offer Letter) are hereby null and void and of no further force and effect, including all prior employment and severance agreements, if any, by and between the Company and Executive, but excluding those certain (i) Grant Agreement Relating to Notional Units - Executives, of even date herewith, by and between CEP and Executive and (ii) Employment Agreement, of even date herewith, by and among CEP, Executive and CEP Services Company, Inc. Any modification of this Award Agreement will be effective only if it is in writing and signed by both parties.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement to be effective as of May 1, 2009.

CEP:

CONSTELLATION ENERGY PARTNERS LLC

By: /s/ Stephen R. Brunner

Name: Stephen R. Brunner

Title: President, Chief Executive Officer and Chief Operating Officer

EXECUTIVE

/s/ Stephen R. Brunner

Stephen R. Brunner

INDUCEMENT AWARD AGREEMENT

THIS INDUCEMENT AWARD AGREEMENT (this “*Award Agreement*”) is made on May 1, 2009 by and between Constellation Energy Partners LLC, a Delaware limited liability company (“*CEP*”), and Charles C. Ward (“*Executive*”).

WHEREAS, the Board of Managers (the “*Board*”) of CEP has determined that it is in the best interests of CEP to grant inducement bonuses to, among other things, promote the interests of CEP by enhancing the ability of CEP and its subsidiaries to attract and retain the services of individuals who are essential for the growth and profitability of CEP and to encourage them to devote their best efforts to advancing the business of CEP and its subsidiaries;

WHEREAS, in order to induce Executive to enter into that certain Offer Letter, dated as of December 31, 2008, between Executive and CEP (the “*Offer Letter*”), CEP agreed to make an inducement grant to Executive of a number of restricted common units representing limited liability company interests in CEP (the “*Grant*”), which restricted common units, when coupled with an amount of cash, would equal \$450,000 on the grant date; and

WHEREAS, the Board has determined that the Grant shall be comprised of 40,468 restricted common units (the “*Restricted Units*”) in satisfaction of CEP’s obligation under the Offer Letter to make an inducement grant, which number of Restricted Units is based on the closing price of the Common Units on the NYSE Arca Equities, Inc. on December 31, 2008; and

WHEREAS, CEP (for a limited purpose), Executive and CEP Services Company, Inc., a Delaware corporation and CEP’s wholly owned subsidiary (“*CSCI*”), are entering into that certain Employment Agreement, dated as of May 1, 2009 (the “*Employment Agreement*”) contemporaneously herewith, which agreement supersedes the Offer Letter;

WHEREAS, the Grant has been approved by the Compensation Committee of the Board and is being made pursuant to the exemption from securityholder approval provided in Rule 5.3(d)(5)(A) of the NYSE Arca Rules;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Construction.

(a) *Definitions*. As used herein, the following terms shall have the meanings set forth below:

“*Affiliate*” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“*Award Agreement*” has the meaning set forth in the preamble hereto.

“Board” has the meaning set forth in the recitals to this Award Agreement.

“CEP” has the meaning set forth in the preamble to this Award Agreement.

“Closing Price” means the closing sales price of a Common Unit on the applicable date (or if there is no trading in the Common Units on such date, on the next preceding date on which there was trading) as reported in The Wall Street Journal (or other reporting service approved by the Committee). In the event Common Units are not publicly traded at the time such value is required to be made hereunder, the determination of Closing Price shall be made in good faith by the Committee.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means the Compensation Committee of the Board.

“Common Unit” means a common unit of CEP, representing limited liability company interests.

“Employment Agreement” has the meaning set forth in the recitals to this Award Agreement.

“Executive” has the meaning set forth in the preamble to this Award Agreement.

“Grant” has the meaning set forth in the recitals to this Award Agreement.

“Offer Letter” has the meaning set forth in the recitals to this Award Agreement.

“Person” means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

“Restricted Period” means the period from May 1, 2009 to December 31, 2010.

“Restricted Units” has the meaning set forth in the recitals to this Award Agreement.

“Tranche” means either the First Tranche or Second Tranche, as such terms are defined in Section 2(b).

(b) *Construction*. In this Award Agreement, unless a clear contrary intention appears, (a) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Award Agreement as a whole and not to any particular Section or other subdivision, (b) reference to any Section means such Section hereof and (c) the words “including” (and with correlative meaning “include”) means including, without limiting the generality of any description preceding such term.

2. Grant of Restricted Units; Vesting; Administration.

(a) *Grant*. CEP hereby grants to Executive all right, title and interest in and to the record and beneficial ownership of the Restricted Units, subject to the conditions described herein.

(b) *Vesting*. Subject to Section 3(c), all rights to the Restricted Units shall fully vest in Executive and the restrictions set forth in Section 3(c) and Section 3(d) shall lapse as follows:

(i) on January 1, 2010 with respect to 20,234 Restricted Units (the “First Tranche”); and

(ii) on January 1, 2011 with respect to 20,234 Restricted Units (the “Second Tranche”).

(c) *Administration*.

(i) Issuance. The Restricted Units awarded hereunder shall be evidenced in book-entry form in the name of Executive.

(ii) Sources of Common Units Deliverable Under Grant. Any Common Units delivered pursuant to this Award Agreement shall consist, in whole or in part, of Common Units acquired in the open market, from any Affiliate, CEP or any other Person, or any combination of the foregoing as determined by the Committee in its sole discretion.

(iii) Adjustments. In the event that the Committee determines that any distribution (whether in the form of cash, Common Units, other securities or other property), recapitalization, split, reverse split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Units or other securities of CEP, issuance of warrants or other rights to purchase Common Units or other securities of CEP, or other similar transaction or event affects the Common Units such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Award Agreement, then the Committee shall, in such manner as it may deem equitable, adjust the number and type of Common Units (or other securities or property) subject to the Award Agreement hereunder or, if deemed appropriate by the Committee, make provision for a cash payment to Executive; provided, however, that the number of Common Units subject to the Grant shall always be a whole number; and, provided further, that the Committee shall not take any action otherwise authorized under this paragraph (b) to the extent that (i) such action would cause (A) the application of Section 409A of the Code to the Award Agreement or (B) create adverse tax consequences under Section 409A of the Code should that Code Section apply to the Award Agreement or (ii) except as permitted in Section 4, materially reduce the benefit to Executive without the consent of Executive.

3. Ownership Rights; Risk of Forfeiture; Transfer Restrictions.

(a) *Ownership Rights.* Subject to the restrictions set forth herein, including Section 3(b), Executive is entitled to all voting and ownership rights applicable to the Restricted Units.

(b) *Pre-vesting Distributions.*

(i) Distribution Credits. Prior to vesting pursuant to Section 2(b), Executive shall, for each Tranche, receive book-entry distribution credits ("Distribution Credits") for any distributions paid by CEP on Common Units.

(ii) Accumulation of Distribution Credits. Until a Tranche has vested pursuant to Section 2(b), CEP shall, upon payment of a distribution in respect of Common Units, record Distribution Credits in respect of that Tranche in an amount equal to (i) the number of Restricted Units in such Tranche multiplied by the per-unit distribution amount so paid, divided by (ii) the per-unit Closing Price on the payment date of such distribution.

(iii) Earning and Settlement of Distribution Credits. The Distribution Credits accumulated with respect to a Tranche shall be earned upon the vesting of such Tranche pursuant to Section 2(b). Upon vesting of a Tranche pursuant to Section 2(b), any Distribution Credits accumulated with respect to such Tranche shall, at the discretion of the Committee, be settled in cash or Common Units.

(A) For Distribution Credits to be settled in cash, the amount of such payment shall be equal to the aggregate number of earned Distribution Credits to be settled in cash multiplied by the per-unit Closing Price on the date such Tranche vests pursuant to Section 2(b).

(B) For Distribution Credits to be settled in Common Units, CEP shall issue a number of whole Common Units equal to the aggregate number of earned Distribution Credits to be settled in Common Units; provided, however, that any Distribution Credits that would have resulted in the issuance of a fractional Common Unit pursuant to this Section 3(b)(iii)(B), shall instead be settled in cash in accordance with Section 3(b)(iii)(A).

(c) *Risk of Forfeiture.*

(i) General. Subject to Section 3(c)(ii), upon termination of Executive's employment with or services to CEP and its Affiliates (including CSCI) for any reason during the applicable Restricted Period, all Restricted Units not then vested pursuant to Section 2(b) and Distribution Credits not then earned pursuant to Section 3(b)(iii) shall be automatically forfeited by Executive. The Committee may, in its discretion, waive in whole or in part such forfeiture.

(ii) Employment Agreement. Notwithstanding Section 3(c)(i) and anything to the contrary herein, if Executive's Employment Agreement (defined below) provides

for a treatment of the Restricted Units and Distribution Credits that differs from Section 3(c)(i), the terms of Executive's Employment Agreement shall control upon the termination of Executive's employment by CEP or its Affiliates (including CSCI). "Employment Agreement" means that certain Employment Agreement, dated as of May 1, 2009, entered into by and among CEP, CSCI and Executive, as such agreement may be amended from time to time.

(d) *Transfer Restrictions.*

(i) Except as provided in Section 3(d)(iii), this Award Agreement shall be payable only to Executive during Executive's lifetime, or to the person to whom Executive's rights shall pass by will or the laws of descent and distribution.

(ii) Except as provided in Section 3(d)(iii), none of the Award Agreement, any Restricted Units or Distribution Credits may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by Executive and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against CEP or any of its Affiliates.

(iii) The Restricted Units and Distribution Credits may be transferred by Executive without consideration to immediate family members or related family trusts, family limited partnerships or similar entities.

4. Adjustments.

Except to the extent prohibited by applicable law, the Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, this Award Agreement in recognition of unusual or nonrecurring events (including the events described in Section 2(c)(iii)) affecting CEP or the financial statements of CEP, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available to Executive under this Award Agreement.

5. General Provisions.

(a) *Tax Withholding.*

(i) CEP or any Affiliate is authorized to withhold from any payment due or transfer made pursuant to this Award Agreement or from any compensation or other amount owing to a Participant the amount (in cash, Common Units, other securities, Common Units that would otherwise be issued pursuant to this Award Agreement or other property) of any applicable taxes payable at the minimum statutory rate in respect of this Award Agreement, the lapse of restrictions thereon or any payment or transfer under the Award Agreement and to take such other action as may be necessary in the opinion of CEP to satisfy its withholding obligations for the payment of such taxes.

(ii) All Common Units to be issued pursuant to this Award Agreement shall be net of tax withholding, such that the tax withholding obligation of Executive in respect of this Award Agreement and such Common Units is satisfied through the retention by CEP of a number of Common Units equal to Executive's aggregate tax withholding obligation divided by the per-unit Closing Price for the date immediately prior to the date of such issuance of Common Units.

(iii) Executive agrees that, if he or she makes an election under Section 83(b) of the Code with regard to the Restricted Units, Executive will so notify CEP in writing within two (2) days after making such election.

(b) *No Right to Employment or Services.* Nothing in this Award Agreement shall be construed as granting Executive the right to be retained in the employ of CEP or any of its Affiliates. Subject to the terms of the Employment Agreement, CEP or an Affiliate may at any time dismiss Executive from employment, free from any liability or any claim under this Award Agreement other than as provided under Section 3(c)(ii).

(c) *Governing Law.* This Award Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Delaware, without reference to its choice of law provisions.

(d) *Section 409A of the Code.* Notwithstanding anything in this Award Agreement to the contrary, this Award Agreement (i) is designed to avoid application of Section 409A of the Code to the Award Agreement and (ii) is designed to avoid adverse tax consequences under Section 409A of the Code should that Section apply to this Award Agreement. If any provision hereof would result in the imposition of an applicable tax under Section 409A of the Code and related regulations and pronouncements, that provision will be reformed to the extent reformation would avoid imposition of the applicable tax and no action taken to comply with Section 409A of the Code shall be deemed to adversely affect Executive's rights to the Restricted Units or to require Executive's consent.

(e) *Severability.* If any provision in this Award Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any Person, or would disqualify the Award Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Award Agreement, such provision shall be stricken as to such jurisdiction or person and the remainder of the Award Agreement shall remain in full force and effect.

(f) *Other Laws.* The Committee may refuse to issue or transfer any Common Units or other consideration under this Award Agreement if, in its sole discretion, it determines that the issuance or transfer of such Common Units or such other consideration might violate any applicable law or regulation, the rules of the principal securities exchange on which the Common Units are then traded, or entitle CEP or an Affiliate to recover the same under Section 16(b) of the Securities Exchange Act of 1934, as amended, and any payment tendered to CEP by Executive, other holder or beneficiary shall be promptly refunded to the relevant Executive, holder or beneficiary.

(g) *No Trust or Fund Created.* This Award Agreement shall not create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between CEP or any participating Affiliate and Executive. To the extent that any Person acquires a right to receive payments or securities from CEP or any participating Affiliate pursuant to this Award Agreement, such right shall be no greater than the right of any general unsecured creditor of CEP or any participating Affiliate.

(h) *No Fractional Units.* No fractional Common Units shall be issued or delivered pursuant to this Award Agreement, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional Common Units or whether such fractional Common Units or any rights thereto shall be canceled, terminated or otherwise eliminated.

(i) *Headings.* Headings are given to the Sections and subsections of this Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Award Agreement or any provision thereof.

(j) *Facility Payment.* Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Committee, is unable to properly manage his financial affairs, may be paid to the legal representative of such person, or may be applied for the benefit of such person in any manner which the Committee may select, and CEP and its Affiliates shall be relieved of any further liability for payment of such amounts.

(k) *Gender and Number.* Words in the masculine gender shall include the feminine gender, the plural shall include the singular and the singular shall include the plural.

(l) *No Guarantee of Tax Consequences.* None of the Board, CEP, nor the Committee makes any commitment or guarantee to Executive that any federal, state or local tax treatment will apply or be available to any Person eligible for benefits under this Award Agreement.

(m) *Certain Restrictions.* By executing this Award Agreement, Executive acknowledges that he or she has access to all documents filed by CEP with the Securities and Exchange Commission and has been provided a reasonable opportunity to ask questions of and receive answers from representatives of CEP regarding such matters. Executive agrees that he or she will enter into such representations, warranties and agreements and shall execute such documents as CEP may reasonably request in order to comply with the securities law or any other applicable laws, rules or regulations or with the terms of this Award Agreement.

(n) *No Waiver.* No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Award Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

(o) *Counterparts*. This Award Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same agreement.

(p) *Notices*. For purposes of this Award Agreement, notices and all other communications provided in this Award Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, or when sent by recognized overnight delivery service, addressed as follows:

If to CEP:

Constellation Energy Partners LLC
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002
Attention: Legal Department

If to Executive:

Charles C. Ward
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

(q) Entire Agreement. This Award Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to such subject matter. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Award Agreement and relating to the subject matter hereof (including the Offer Letter) are hereby null and void and of no further force and effect, including all prior employment and severance agreements, if any, by and between the Company and Executive, but excluding those certain (i) Grant Agreement Relating to Notional Units - Executives, of even date herewith, by and between CEP and Executive and (ii) Employment Agreement, of even date herewith, by and among CEP, Executive and CEP Services Company, Inc. Any modification of this Award Agreement will be effective only if it is in writing and signed by both parties.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement to be effective as of May 1, 2009.

CEP:

CONSTELLATION ENERGY PARTNERS LLC

By: /s/ Stephen R. Brunner

Name: Stephen R. Brunner

Title: President, Chief Executive Officer and Chief Operating Officer

EXECUTIVE

/s/ Charles C. Ward

Charles C. Ward

INDUCEMENT AWARD AGREEMENT

THIS INDUCEMENT AWARD AGREEMENT (this “*Award Agreement*”) is made on May 1, 2009 by and between Constellation Energy Partners LLC, a Delaware limited liability company (“*CEP*”), and Lisa J. Mellencamp (“*Executive*”).

WHEREAS, the Board of Managers (the “*Board*”) of CEP has determined that it is in the best interests of CEP to grant inducement bonuses to, among other things, promote the interests of CEP by enhancing the ability of CEP and its subsidiaries to attract and retain the services of individuals who are essential for the growth and profitability of CEP and to encourage them to devote their best efforts to advancing the business of CEP and its subsidiaries;

WHEREAS, in order to induce Executive to enter into that certain Offer Letter, dated as of December 31, 2008, between Executive and CEP (the “*Offer Letter*”), CEP agreed to make an inducement grant to Executive of a number of restricted common units representing limited liability company interests in CEP (the “*Grant*”), which restricted common units, when coupled with an amount of cash, would equal \$400,000 on the grant date; and

WHEREAS, the Board has determined that the Grant shall be comprised of 35,971 restricted common units (the “*Restricted Units*”) in satisfaction of CEP’s obligation under the Offer Letter to make an inducement grant, which number of Restricted Units is based on the closing price of the Common Units on the NYSE Arca Equities, Inc. on December 31, 2008; and

WHEREAS, CEP (for a limited purpose), Executive and CEP Services Company, Inc., a Delaware corporation and CEP’s wholly owned subsidiary (“*CSCI*”), are entering into that certain Employment Agreement, dated as of May 1, 2009 (the “*Employment Agreement*”) contemporaneously herewith, which agreement supersedes the Offer Letter;

WHEREAS, the Grant has been approved by the Compensation Committee of the Board and is being made pursuant to the exemption from securityholder approval provided in Rule 5.3(d)(5)(A) of the NYSE Arca Rules;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Construction.

(a) *Definitions*. As used herein, the following terms shall have the meanings set forth below:

“*Affiliate*” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“*Award Agreement*” has the meaning set forth in the preamble hereto.

“*Board*” has the meaning set forth in the recitals to this Award Agreement.

“*CEP*” has the meaning set forth in the preamble to this Award Agreement.

“*Closing Price*” means the closing sales price of a Common Unit on the applicable date (or if there is no trading in the Common Units on such date, on the next preceding date on which there was trading) as reported in The Wall Street Journal (or other reporting service approved by the Committee). In the event Common Units are not publicly traded at the time such value is required to be made hereunder, the determination of Closing Price shall be made in good faith by the Committee.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Committee*” means the Compensation Committee of the Board.

“*Common Unit*” means a common unit of CEP, representing limited liability company interests.

“*Employment Agreement*” has the meaning set forth in the recitals to this Award Agreement.

“*Executive*” has the meaning set forth in the preamble to this Award Agreement.

“*Grant*” has the meaning set forth in the recitals to this Award Agreement.

“*Offer Letter*” has the meaning set forth in the recitals to this Award Agreement.

“*Person*” means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

“*Restricted Period*” means the period from May 1, 2009 to December 31, 2010.

“*Restricted Units*” has the meaning set forth in the recitals to this Award Agreement.

“*Tranche*” means either the First Tranche or Second Tranche, as such terms are defined in Section 2(b).

(b) *Construction*. In this Award Agreement, unless a clear contrary intention appears, (a) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Award Agreement as a whole and not to any particular Section or other subdivision, (b) reference to any Section means such Section hereof and (c) the words “including” (and with correlative meaning “include”) means including, without limiting the generality of any description preceding such term.

2. Grant of Restricted Units; Vesting; Administration.

(a) *Grant*. CEP hereby grants to Executive all right, title and interest in and to the record and beneficial ownership of the Restricted Units, subject to the conditions described herein.

(b) *Vesting*. Subject to Section 3(c), all rights to the Restricted Units shall fully vest in Executive and the restrictions set forth in Section 3(c) and Section 3(d) shall lapse as follows:

(i) on January 1, 2010 with respect to 17,986 Restricted Units (the “First Tranche”); and

(ii) on January 1, 2011 with respect to 17,985 Restricted Units (the “Second Tranche”).

(c) *Administration*.

(i) Issuance. The Restricted Units awarded hereunder shall be evidenced in book-entry form in the name of Executive.

(ii) Sources of Common Units Deliverable Under Grant. Any Common Units delivered pursuant to this Award Agreement shall consist, in whole or in part, of Common Units acquired in the open market, from any Affiliate, CEP or any other Person, or any combination of the foregoing as determined by the Committee in its sole discretion.

(iii) Adjustments. In the event that the Committee determines that any distribution (whether in the form of cash, Common Units, other securities or other property), recapitalization, split, reverse split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Units or other securities of CEP, issuance of warrants or other rights to purchase Common Units or other securities of CEP, or other similar transaction or event affects the Common Units such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Award Agreement, then the Committee shall, in such manner as it may deem equitable, adjust the number and type of Common Units (or other securities or property) subject to the Award Agreement hereunder or, if deemed appropriate by the Committee, make provision for a cash payment to Executive; provided, however, that the number of Common Units subject to the Grant shall always be a whole number; and, provided further, that the Committee shall not take any action otherwise authorized under this paragraph (b) to the extent that (i) such action would cause (A) the application of Section 409A of the Code to the Award Agreement or (B) create adverse tax consequences under Section 409A of the Code should that Code Section apply to the Award Agreement or (ii) except as permitted in Section 4, materially reduce the benefit to Executive without the consent of Executive.

3. Ownership Rights; Risk of Forfeiture; Transfer Restrictions.

(a) *Ownership Rights.* Subject to the restrictions set forth herein, including Section 3(b), Executive is entitled to all voting and ownership rights applicable to the Restricted Units.

(b) *Pre-vesting Distributions.*

(i) Distribution Credits. Prior to vesting pursuant to Section 2(b), Executive shall, for each Tranche, receive book-entry distribution credits ("Distribution Credits") for any distributions paid by CEP on Common Units.

(ii) Accumulation of Distribution Credits. Until a Tranche has vested pursuant to Section 2(b), CEP shall, upon payment of a distribution in respect of Common Units, record Distribution Credits in respect of that Tranche in an amount equal to (i) the number of Restricted Units in such Tranche multiplied by the per-unit distribution amount so paid, divided by (ii) the per-unit Closing Price on the payment date of such distribution.

(iii) Earning and Settlement of Distribution Credits. The Distribution Credits accumulated with respect to a Tranche shall be earned upon the vesting of such Tranche pursuant to Section 2(b). Upon vesting of a Tranche pursuant to Section 2(b), any Distribution Credits accumulated with respect to such Tranche shall, at the discretion of the Committee, be settled in cash or Common Units.

(A) For Distribution Credits to be settled in cash, the amount of such payment shall be equal to the aggregate number of earned Distribution Credits to be settled in cash multiplied by the per-unit Closing Price on the date such Tranche vests pursuant to Section 2(b).

(B) For Distribution Credits to be settled in Common Units, CEP shall issue a number of whole Common Units equal to the aggregate number of earned Distribution Credits to be settled in Common Units; provided, however, that any Distribution Credits that would have resulted in the issuance of a fractional Common Unit pursuant to this Section 3(b)(iii)(B), shall instead be settled in cash in accordance with Section 3(b)(iii)(A).

(c) *Risk of Forfeiture.*

(i) General. Subject to Section 3(c)(ii), upon termination of Executive's employment with or services to CEP and its Affiliates (including CSCI) for any reason during the applicable Restricted Period, all Restricted Units not then vested pursuant to Section 2(b) and Distribution Credits not then earned pursuant to Section 3(b)(iii) shall be automatically forfeited by Executive. The Committee may, in its discretion, waive in whole or in part such forfeiture.

(ii) Employment Agreement. Notwithstanding Section 3(c)(i) and anything to the contrary herein, if Executive's Employment Agreement (defined below) provides

for a treatment of the Restricted Units and Distribution Credits that differs from Section 3(c)(i), the terms of Executive's Employment Agreement shall control upon the termination of Executive's employment by CEP or its Affiliates (including CSCI). "Employment Agreement" means that certain Employment Agreement, dated as of May 1, 2009, entered into by and among CEP, CSCI and Executive, as such agreement may be amended from time to time.

(d) Transfer Restrictions.

(i) Except as provided in Section 3(d)(iii), this Award Agreement shall be payable only to Executive during Executive's lifetime, or to the person to whom Executive's rights shall pass by will or the laws of descent and distribution.

(ii) Except as provided in Section 3(d)(iii), none of the Award Agreement, any Restricted Units or Distribution Credits may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by Executive and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against CEP or any of its Affiliates.

(iii) The Restricted Units and Distribution Credits may be transferred by Executive without consideration to immediate family members or related family trusts, family limited partnerships or similar entities.

4. Adjustments.

Except to the extent prohibited by applicable law, the Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, this Award Agreement in recognition of unusual or nonrecurring events (including the events described in Section 2(c)(iii)) affecting CEP or the financial statements of CEP, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available to Executive under this Award Agreement.

5. General Provisions.

(a) Tax Withholding.

(i) CEP or any Affiliate is authorized to withhold from any payment due or transfer made pursuant to this Award Agreement or from any compensation or other amount owing to a Participant the amount (in cash, Common Units, other securities, Common Units that would otherwise be issued pursuant to this Award Agreement or other property) of any applicable taxes payable at the minimum statutory rate in respect of this Award Agreement, the lapse of restrictions thereon or any payment or transfer under the Award Agreement and to take such other action as may be necessary in the opinion of CEP to satisfy its withholding obligations for the payment of such taxes.

(ii) All Common Units to be issued pursuant to this Award Agreement shall be net of tax withholding, such that the tax withholding obligation of Executive in respect of this Award Agreement and such Common Units is satisfied through the retention by CEP of a number of Common Units equal to Executive's aggregate tax withholding obligation divided by the per-unit Closing Price for the date immediately prior to the date of such issuance of Common Units.

(iii) Executive agrees that, if he or she makes an election under Section 83(b) of the Code with regard to the Restricted Units, Executive will so notify CEP in writing within two (2) days after making such election.

(b) *No Right to Employment or Services.* Nothing in this Award Agreement shall be construed as granting Executive the right to be retained in the employ of CEP or any of its Affiliates. Subject to the terms of the Employment Agreement, CEP or an Affiliate may at any time dismiss Executive from employment, free from any liability or any claim under this Award Agreement other than as provided under Section 3(c)(ii).

(c) *Governing Law.* This Award Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Delaware, without reference to its choice of law provisions.

(d) *Section 409A of the Code.* Notwithstanding anything in this Award Agreement to the contrary, this Award Agreement (i) is designed to avoid application of Section 409A of the Code to the Award Agreement and (ii) is designed to avoid adverse tax consequences under Section 409A of the Code should that Section apply to this Award Agreement. If any provision hereof would result in the imposition of an applicable tax under Section 409A of the Code and related regulations and pronouncements, that provision will be reformed to the extent reformation would avoid imposition of the applicable tax and no action taken to comply with Section 409A of the Code shall be deemed to adversely affect Executive's rights to the Restricted Units or to require Executive's consent.

(e) *Severability.* If any provision in this Award Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any Person, or would disqualify the Award Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Award Agreement, such provision shall be stricken as to such jurisdiction or person and the remainder of the Award Agreement shall remain in full force and effect.

(f) *Other Laws.* The Committee may refuse to issue or transfer any Common Units or other consideration under this Award Agreement if, in its sole discretion, it determines that the issuance or transfer of such Common Units or such other consideration might violate any applicable law or regulation, the rules of the principal securities exchange on which the Common Units are then traded, or entitle CEP or an Affiliate to recover the same under Section 16(b) of the Securities Exchange Act of 1934, as amended, and any payment tendered to CEP by Executive, other holder or beneficiary shall be promptly refunded to the relevant Executive, holder or beneficiary.

(g) *No Trust or Fund Created.* This Award Agreement shall not create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between CEP or any participating Affiliate and Executive. To the extent that any Person acquires a right to receive payments or securities from CEP or any participating Affiliate pursuant to this Award Agreement, such right shall be no greater than the right of any general unsecured creditor of CEP or any participating Affiliate.

(h) *No Fractional Units.* No fractional Common Units shall be issued or delivered pursuant to this Award Agreement, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional Common Units or whether such fractional Common Units or any rights thereto shall be canceled, terminated or otherwise eliminated.

(i) *Headings.* Headings are given to the Sections and subsections of this Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Award Agreement or any provision thereof.

(j) *Facility Payment.* Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Committee, is unable to properly manage his financial affairs, may be paid to the legal representative of such person, or may be applied for the benefit of such person in any manner which the Committee may select, and CEP and its Affiliates shall be relieved of any further liability for payment of such amounts.

(k) *Gender and Number.* Words in the masculine gender shall include the feminine gender, the plural shall include the singular and the singular shall include the plural.

(l) *No Guarantee of Tax Consequences.* None of the Board, CEP, nor the Committee makes any commitment or guarantee to Executive that any federal, state or local tax treatment will apply or be available to any Person eligible for benefits under this Award Agreement.

(m) *Certain Restrictions.* By executing this Award Agreement, Executive acknowledges that he or she has access to all documents filed by CEP with the Securities and Exchange Commission and has been provided a reasonable opportunity to ask questions of and receive answers from representatives of CEP regarding such matters. Executive agrees that he or she will enter into such representations, warranties and agreements and shall execute such documents as CEP may reasonably request in order to comply with the securities law or any other applicable laws, rules or regulations or with the terms of this Award Agreement.

(n) *No Waiver.* No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Award Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

(o) *Counterparts*. This Award Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same agreement.

(p) *Notices*. For purposes of this Award Agreement, notices and all other communications provided in this Award Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, or when sent by recognized overnight delivery service, addressed as follows:

If to CEP:

Constellation Energy Partners LLC
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002
Attention: Legal Department

If to Executive:

Lisa J. Mellencamp
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

(q) Entire Agreement. This Award Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to such subject matter. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Award Agreement and relating to the subject matter hereof (including the Offer Letter) are hereby null and void and of no further force and effect, including all prior employment and severance agreements, if any, by and between the Company and Executive, but excluding those certain (i) Grant Agreement Relating to Notional Units - Executives, of even date herewith, by and between CEP and Executive and (ii) Employment Agreement, of even date herewith, by and among CEP, Executive and CEP Services Company, Inc. Any modification of this Award Agreement will be effective only if it is in writing and signed by both parties.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement to be effective as of May 1, 2009.

CEP:

CONSTELLATION ENERGY PARTNERS LLC

By: /s/ Stephen R. Brunner

Name: Stephen R. Brunner

Title: President, Chief Executive Officer and Chief Operating
Officer

EXECUTIVE

/s/ Lisa J. Mellencamp

Lisa J. Mellencamp

INDUCEMENT AWARD AGREEMENT

THIS INDUCEMENT AWARD AGREEMENT (this “*Award Agreement*”) is made on May 1, 2009 by and between Constellation Energy Partners LLC, a Delaware limited liability company (“*CEP*”), and Michael B. Hiney (“*Executive*”).

WHEREAS, the Board of Managers (the “*Board*”) of CEP has determined that it is in the best interests of CEP to grant inducement bonuses to, among other things, promote the interests of CEP by enhancing the ability of CEP and its subsidiaries to attract and retain the services of individuals who are essential for the growth and profitability of CEP and to encourage them to devote their best efforts to advancing the business of CEP and its subsidiaries;

WHEREAS, in order to induce Executive to enter into that certain Offer Letter, dated as of December 31, 2008, between Executive and CEP (the “*Offer Letter*”), CEP agreed to make an inducement grant to Executive of a number of restricted common units representing limited liability company interests in CEP (the “*Grant*”), which restricted common units, when coupled with an amount of cash, would equal \$350,000 on the grant date; and

WHEREAS, the Board has determined that the Grant shall be comprised of 31,475 restricted common units (the “*Restricted Units*”) in satisfaction of CEP’s obligation under the Offer Letter to make an inducement grant, which number of Restricted Units is based on the closing price of the Common Units on the NYSE Arca Equities, Inc. on December 31, 2008; and

WHEREAS, CEP (for a limited purpose), Executive and CEP Services Company, Inc., a Delaware corporation and CEP’s wholly owned subsidiary (“*CSCI*”), are entering into that certain Employment Agreement, dated as of May 1, 2009 (the “*Employment Agreement*”) contemporaneously herewith, which agreement supersedes the Offer Letter;

WHEREAS, the Grant has been approved by the Compensation Committee of the Board and is being made pursuant to the exemption from securityholder approval provided in Rule 5.3(d)(5)(A) of the NYSE Arca Rules;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Construction.

(a) *Definitions*. As used herein, the following terms shall have the meanings set forth below:

“*Affiliate*” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

“*Award Agreement*” has the meaning set forth in the preamble hereto.

“Board” has the meaning set forth in the recitals to this Award Agreement.

“CEP” has the meaning set forth in the preamble to this Award Agreement.

“Closing Price” means the closing sales price of a Common Unit on the applicable date (or if there is no trading in the Common Units on such date, on the next preceding date on which there was trading) as reported in The Wall Street Journal (or other reporting service approved by the Committee). In the event Common Units are not publicly traded at the time such value is required to be made hereunder, the determination of Closing Price shall be made in good faith by the Committee.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means the Compensation Committee of the Board.

“Common Unit” means a common unit of CEP, representing limited liability company interests.

“Employment Agreement” has the meaning set forth in the recitals to this Award Agreement.

“Executive” has the meaning set forth in the preamble to this Award Agreement.

“Grant” has the meaning set forth in the recitals to this Award Agreement.

“Offer Letter” has the meaning set forth in the recitals to this Award Agreement.

“Person” means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

“Restricted Period” means the period from May 1, 2009 to December 31, 2010.

“Restricted Units” has the meaning set forth in the recitals to this Award Agreement.

“Tranche” means either the First Tranche or Second Tranche, as such terms are defined in Section 2(b).

(b) *Construction*. In this Award Agreement, unless a clear contrary intention appears, (a) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Award Agreement as a whole and not to any particular Section or other subdivision, (b) reference to any Section means such Section hereof and (c) the words “including” (and with correlative meaning “include”) means including, without limiting the generality of any description preceding such term.

2. Grant of Restricted Units; Vesting; Administration.

(a) *Grant*. CEP hereby grants to Executive all right, title and interest in and to the record and beneficial ownership of the Restricted Units, subject to the conditions described herein.

(b) *Vesting*. Subject to Section 3(c), all rights to the Restricted Units shall fully vest in Executive and the restrictions set forth in Section 3(c) and Section 3(d) shall lapse as follows:

(i) on January 1, 2010 with respect to 15,738 Restricted Units (the “First Tranche”); and

(ii) on January 1, 2011 with respect to 15,737 Restricted Units (the “Second Tranche”).

(c) Administration.

(i) Issuance. The Restricted Units awarded hereunder shall be evidenced in book-entry form in the name of Executive.

(ii) Sources of Common Units Deliverable Under Grant. Any Common Units delivered pursuant to this Award Agreement shall consist, in whole or in part, of Common Units acquired in the open market, from any Affiliate, CEP or any other Person, or any combination of the foregoing as determined by the Committee in its sole discretion.

(iii) Adjustments. In the event that the Committee determines that any distribution (whether in the form of cash, Common Units, other securities or other property), recapitalization, split, reverse split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Units or other securities of CEP, issuance of warrants or other rights to purchase Common Units or other securities of CEP, or other similar transaction or event affects the Common Units such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this Award Agreement, then the Committee shall, in such manner as it may deem equitable, adjust the number and type of Common Units (or other securities or property) subject to the Award Agreement hereunder or, if deemed appropriate by the Committee, make provision for a cash payment to Executive; provided, however, that the number of Common Units subject to the Grant shall always be a whole number; and, provided further, that the Committee shall not take any action otherwise authorized under this paragraph (b) to the extent that (i) such action would cause (A) the application of Section 409A of the Code to the Award Agreement or (B) create adverse tax consequences under Section 409A of the Code should that Code Section apply to the Award Agreement or (ii) except as permitted in Section 4, materially reduce the benefit to Executive without the consent of Executive.

3. Ownership Rights; Risk of Forfeiture; Transfer Restrictions.

(a) *Ownership Rights.* Subject to the restrictions set forth herein, including Section 3(b), Executive is entitled to all voting and ownership rights applicable to the Restricted Units.

(b) *Pre-vesting Distributions.*

(i) Distribution Credits. Prior to vesting pursuant to Section 2(b), Executive shall, for each Tranche, receive book-entry distribution credits ("Distribution Credits") for any distributions paid by CEP on Common Units.

(ii) Accumulation of Distribution Credits. Until a Tranche has vested pursuant to Section 2(b), CEP shall, upon payment of a distribution in respect of Common Units, record Distribution Credits in respect of that Tranche in an amount equal to (i) the number of Restricted Units in such Tranche multiplied by the per-unit distribution amount so paid, divided by (ii) the per-unit Closing Price on the payment date of such distribution.

(iii) Earning and Settlement of Distribution Credits. The Distribution Credits accumulated with respect to a Tranche shall be earned upon the vesting of such Tranche pursuant to Section 2(b). Upon vesting of a Tranche pursuant to Section 2(b), any Distribution Credits accumulated with respect to such Tranche shall, at the discretion of the Committee, be settled in cash or Common Units.

(A) For Distribution Credits to be settled in cash, the amount of such payment shall be equal to the aggregate number of earned Distribution Credits to be settled in cash multiplied by the per-unit Closing Price on the date such Tranche vests pursuant to Section 2(b).

(B) For Distribution Credits to be settled in Common Units, CEP shall issue a number of whole Common Units equal to the aggregate number of earned Distribution Credits to be settled in Common Units; provided, however, that any Distribution Credits that would have resulted in the issuance of a fractional Common Unit pursuant to this Section 3(b)(iii)(B), shall instead be settled in cash in accordance with Section 3(b)(iii)(A).

(c) *Risk of Forfeiture.*

(i) General. Subject to Section 3(c)(ii), upon termination of Executive's employment with or services to CEP and its Affiliates (including CSCI) for any reason during the applicable Restricted Period, all Restricted Units not then vested pursuant to Section 2(b) and Distribution Credits not then earned pursuant to Section 3(b)(iii) shall be automatically forfeited by Executive. The Committee may, in its discretion, waive in whole or in part such forfeiture.

(ii) Employment Agreement. Notwithstanding Section 3(c)(i) and anything to the contrary herein, if Executive's Employment Agreement (defined below) provides

for a treatment of the Restricted Units and Distribution Credits that differs from Section 3(c)(i), the terms of Executive's Employment Agreement shall control upon the termination of Executive's employment by CEP or its Affiliates (including CSCI). "Employment Agreement" means that certain Employment Agreement, dated as of May 1, 2009, entered into by and among CEP, CSCI and Executive, as such agreement may be amended from time to time.

(d) *Transfer Restrictions.*

(i) Except as provided in Section 3(d)(iii), this Award Agreement shall be payable only to Executive during Executive's lifetime, or to the person to whom Executive's rights shall pass by will or the laws of descent and distribution.

(ii) Except as provided in Section 3(d)(iii), none of the Award Agreement, any Restricted Units or Distribution Credits may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by Executive and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against CEP or any of its Affiliates.

(iii) The Restricted Units and Distribution Credits may be transferred by Executive without consideration to immediate family members or related family trusts, family limited partnerships or similar entities.

4. Adjustments.

Except to the extent prohibited by applicable law, the Committee is hereby authorized to make adjustments in the terms and conditions of, and the criteria included in, this Award Agreement in recognition of unusual or nonrecurring events (including the events described in Section 2(c)(iii)) affecting CEP or the financial statements of CEP, or of changes in applicable laws, regulations, or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available to Executive under this Award Agreement.

5. General Provisions.

(a) *Tax Withholding.*

(i) CEP or any Affiliate is authorized to withhold from any payment due or transfer made pursuant to this Award Agreement or from any compensation or other amount owing to a Participant the amount (in cash, Common Units, other securities, Common Units that would otherwise be issued pursuant to this Award Agreement or other property) of any applicable taxes payable at the minimum statutory rate in respect of this Award Agreement, the lapse of restrictions thereon or any payment or transfer under the Award Agreement and to take such other action as may be necessary in the opinion of CEP to satisfy its withholding obligations for the payment of such taxes.

(ii) All Common Units to be issued pursuant to this Award Agreement shall be net of tax withholding, such that the tax withholding obligation of Executive in respect of this Award Agreement and such Common Units is satisfied through the retention by CEP of a number of Common Units equal to Executive's aggregate tax withholding obligation divided by the per-unit Closing Price for the date immediately prior to the date of such issuance of Common Units.

(iii) Executive agrees that, if he or she makes an election under Section 83(b) of the Code with regard to the Restricted Units, Executive will so notify CEP in writing within two (2) days after making such election.

(b) *No Right to Employment or Services.* Nothing in this Award Agreement shall be construed as granting Executive the right to be retained in the employ of CEP or any of its Affiliates. Subject to the terms of the Employment Agreement, CEP or an Affiliate may at any time dismiss Executive from employment, free from any liability or any claim under this Award Agreement other than as provided under Section 3(c)(ii).

(c) *Governing Law.* This Award Agreement is entered into under, and shall be governed for all purposes by, the laws of the State of Delaware, without reference to its choice of law provisions.

(d) *Section 409A of the Code.* Notwithstanding anything in this Award Agreement to the contrary, this Award Agreement (i) is designed to avoid application of Section 409A of the Code to the Award Agreement and (ii) is designed to avoid adverse tax consequences under Section 409A of the Code should that Section apply to this Award Agreement. If any provision hereof would result in the imposition of an applicable tax under Section 409A of the Code and related regulations and pronouncements, that provision will be reformed to the extent reformation would avoid imposition of the applicable tax and no action taken to comply with Section 409A of the Code shall be deemed to adversely affect Executive's rights to the Restricted Units or to require Executive's consent.

(e) *Severability.* If any provision in this Award Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any Person, or would disqualify the Award Agreement under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Award Agreement, such provision shall be stricken as to such jurisdiction or person and the remainder of the Award Agreement shall remain in full force and effect.

(f) *Other Laws.* The Committee may refuse to issue or transfer any Common Units or other consideration under this Award Agreement if, in its sole discretion, it determines that the issuance or transfer of such Common Units or such other consideration might violate any applicable law or regulation, the rules of the principal securities exchange on which the Common Units are then traded, or entitle CEP or an Affiliate to recover the same under Section 16(b) of the Securities Exchange Act of 1934, as amended, and any payment tendered to CEP by Executive, other holder or beneficiary shall be promptly refunded to the relevant Executive, holder or beneficiary.

(g) *No Trust or Fund Created.* This Award Agreement shall not create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between CEP or any participating Affiliate and Executive. To the extent that any Person acquires a right to receive payments or securities from CEP or any participating Affiliate pursuant to this Award Agreement, such right shall be no greater than the right of any general unsecured creditor of CEP or any participating Affiliate.

(h) *No Fractional Units.* No fractional Common Units shall be issued or delivered pursuant to this Award Agreement, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional Common Units or whether such fractional Common Units or any rights thereto shall be canceled, terminated or otherwise eliminated.

(i) *Headings.* Headings are given to the Sections and subsections of this Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Award Agreement or any provision thereof.

(j) *Facility Payment.* Any amounts payable hereunder to any person under legal disability or who, in the judgment of the Committee, is unable to properly manage his financial affairs, may be paid to the legal representative of such person, or may be applied for the benefit of such person in any manner which the Committee may select, and CEP and its Affiliates shall be relieved of any further liability for payment of such amounts.

(k) *Gender and Number.* Words in the masculine gender shall include the feminine gender, the plural shall include the singular and the singular shall include the plural.

(l) *No Guarantee of Tax Consequences.* None of the Board, CEP, nor the Committee makes any commitment or guarantee to Executive that any federal, state or local tax treatment will apply or be available to any Person eligible for benefits under this Award Agreement.

(m) *Certain Restrictions.* By executing this Award Agreement, Executive acknowledges that he or she has access to all documents filed by CEP with the Securities and Exchange Commission and has been provided a reasonable opportunity to ask questions of and receive answers from representatives of CEP regarding such matters. Executive agrees that he or she will enter into such representations, warranties and agreements and shall execute such documents as CEP may reasonably request in order to comply with the securities law or any other applicable laws, rules or regulations or with the terms of this Award Agreement.

(n) *No Waiver.* No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Award Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

(o) *Counterparts*. This Award Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same agreement.

(p) *Notices*. For purposes of this Award Agreement, notices and all other communications provided in this Award Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, or when sent by recognized overnight delivery service, addressed as follows:

If to CEP:

Constellation Energy Partners LLC
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002
Attention: Legal Department

If to Executive:

Michael B. Hiney
One Allen Center
500 Dallas Street, Suite 3200
Houston, TX 77002

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices or changes of address shall be effective only upon receipt.

(q) Entire Agreement. This Award Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to such subject matter. Without limiting the scope of the preceding sentence, all understandings and agreements preceding the date of execution of this Award Agreement and relating to the subject matter hereof (including the Offer Letter) are hereby null and void and of no further force and effect, including all prior employment and severance agreements, if any, by and between the Company and Executive, but excluding those certain (i) Grant Agreement Relating to Notional Units - Executives, of even date herewith, by and between CEP and Executive and (ii) Employment Agreement, of even date herewith, by and among CEP, Executive and CEP Services Company, Inc. Any modification of this Award Agreement will be effective only if it is in writing and signed by both parties.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement to be effective as of May 1, 2009.

CEP:

CONSTELLATION ENERGY PARTNERS LLC

By: /s/ Stephen R. Brunner

Name: Stephen R. Brunner

Title: President, Chief Executive Officer and Chief Operating Officer

EXECUTIVE

/s/ Michael B. Hiney

Michael B. Hiney