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

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: July 3, 2007

(Date of earliest event reported: April 23, 2007)

Constellation Energy Partners LLC
(Exact name of registrant as specified in its charter)

Delaware	**001-33147**	**11-3742489**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

111 Market Place **Baltimore, MD**	**21202**
(Address of principal executive offices)	**(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))

On April 24, 2007, the Company filed a Current Report on Form 8-K (the "Report") in connection with its acquisition of certain oil and gas properties and related assets located in Kansas and Oklahoma from EnergyQuest Resources, L.P. and certain of its affiliates ("EnergyQuest") for an aggregate purchase price of approximately $115 million, subject to purchase price adjustments (the "EnergyQuest Acquisition"). Included in the EnergyQuest Acquisition was a natural gas processing and gathering system owned by Kansas Processing EQR, LLC ("KPC"), a wholly owned subsidiary of EnergyQuest. The Current Report on Form 8-K filed April 24, 2007 is being amended by this Amendment No. 1 to include the required historical financial statements and other financial information with respect to the EnergyQuest Acquisition as required by Item 9.01 (a) and the pro forma financial information required by Item 9.01 (b). Financial information is being provided for the oil and gas working interests and pipeline assets acquired.

This Report replaces Item 9.01 of that filing:

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of businesses acquired.

The following information is included as an exhibit to this report as noted in (d) below:

1. Audited statements of direct revenues and direct operating expenses of the natural gas and oil properties acquired from EnergyQuest Resources, L.P. for the years ended December 31, 2006 and December 31, 2005, and the unaudited interim periods ended March 31, 2007 and March 31, 2006.

2. Kansas Processing EQR, LLC's audited financial statements as of and for the years ended December 31, 2006 and December 31, 2005, and the unaudited interim periods ended March 31, 2007 and March 31, 2006.

(b) Pro Forma Financial Information.

The following unaudited pro forma condensed combined financial statements reflect the combination of the historical consolidated balance sheets and income statements of Constellation Energy Partners LLC, EnergyQuest oil and gas working interests, and KPC, adjusted for certain effects of the acquisition and related funding:

1. Unaudited Pro Forma Condensed Combined Balance Sheet

2. Unaudited Pro Forma Condensed Combined Statement of Operations

3. Notes to Unaudited Pro Forma Condensed Combined Financial Statements

4. Unaudited Pro Forma Combined Supplemental Oil and Gas Disclosures

(c) Not Applicable.

(d) Exhibits.

Exhibit Number	Description
99.1	The audited statements of direct revenues and direct operating expenses of the natural gas and oil properties acquired from EnergyQuest Resources, L.P. for the years ended December 31, 2006 and December 31, 2005, and the unaudited statements of direct revenues and direct operating expenses of the natural gas and oil properties acquired from EnergyQuest for the three months ended March 31, 2007 and March 31, 2006.

99.2	The audited financial statements of Kansas Processing EQR, LLC as of and for the years ended December 31, 2006 and December 31, 2005, unaudited financial statements of Kansas Processing EQR, LLC as of and for the three months ended March 31, 2007 and March 31, 2006.
99.3	The unaudited pro forma condensed balance sheet of Constellation Energy Partners LLC as of March 31, 2007, which gives effect to the acquisition of the oil and gas working interests from EnergyQuest Resources, L.P. and of KPC as if they had occurred on March 31, 2007 and the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2006 and for the three months ended March 31, 2007, which give effect to the acquisition of the oil and gas working interests from EnergyQuest Resources, L.P. and of KPC as if it occurred on January 1, 2006.

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: July 3, 2007

By: /s/ Angela A. Minas
Angela A. Minas
Chief Financial Officer

EXHIBIT INDEX

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INDEPENDENT AUDITOR'S REPORT

To the Management of EnergyQuest Resources, L.P.:

We have audited the accompanying statements of direct revenues and direct operating expenses of the natural gas and oil properties acquired from EnergyQuest Resources, L.P. for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the management of EnergyQuest Resources, L.P. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. The accompanying financial statements were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission for inclusion in this Form 8-K/A of Constellation Energy Partners LLC as described in Note 1 and are not intended to be a complete presentation in conformity with accounting principles generally accepted in the United States of America. In our opinion, the financial statements referred to above present fairly, in all material respects, the direct revenues and direct operating expenses of the natural gas and oil properties acquired from EnergyQuest Resources, L.P. for the years ended December 31, 2006 and 2005, in conformity with the basis of accounting described in Note 1.

As described in Note 1 to the financial statements, the natural gas and oil properties acquired from EnergyQuest Resources, L.P. have significant transactions and relationships with affiliated entities. Because of these relationships, it is possible that the terms of these transactions are not the same as those that would result from transactions among unrelated third parties.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Houston, Texas
July 3, 2007

Statements of Direct Revenues and Direct Operating Expenses of the Natural Gas and Oil Properties Acquired from EnergyQuest Resources, L.P.

	For the year ended December 31, 2006	For the year ended December 31, 2005	For the three months ended March 31, 2007 Unaudited	For the three months ended March 31, 2006 Unaudited
		(In 000's)		
Direct revenues	$ 16,088	$ 16,922	$ 3,546	$ 4,369
Direct intercompany expenses	1,625	1,338	407	440
Direct operating expenses	6,755	7,288	1,456	1,745
Excess of revenues over direct operating expenses	$ 7,708	$ 8,296	$ 1,683	$ 2,184

The accompanying notes are an integral part of these financial statements.

Notes to Statements of Direct Revenues and Direct Operating Expenses of the Natural Gas and Oil Properties Acquired from EnergyQuest Resources, L.P.

Years Ended December 31, 2006 and 2005 and

Three Months Ended March 31, 2007 and 2006

1. BASIS OF PRESENTATION

The accompanying financial statements present the direct revenues, direct intercompany expenses and direct operating expenses of the acquired interests in certain oil and natural gas properties located in Kansas and Oklahoma (the “Acquired Properties”) purchased from EnergyQuest Resources, L.P. (the “Seller”) for the years ended December 31, 2006 and 2005 and for the three months ended March 31, 2007 and 2006. The Acquired Properties were purchased by Constellation Energy Partners LLC (the “Company”) on April 23, 2007, for a contract price of $115 million, subject to normal purchase price adjustments.

The Acquired Properties were part of a larger enterprise prior to the acquisition by the Company, and representative amounts of general and administrative expenses, depreciation, depletion and amortization, interest, accretion and other indirect costs were not allocated to the properties acquired, nor would such allocated costs be relevant to future operations of the Acquired Properties. Accordingly, the historical statements of direct revenues and direct operating expenses reflecting the Company’s interest in the Acquired Properties are presented in lieu of the full financial statements required under Item 3-05 of Securities and Exchange Commission Regulation S-X.

Revenues associated with sales of natural gas and oil are recognized when title passes to the customer, net of royalties, discounts and allowances, as applicable. Natural gas produced and used in operations is not included in revenues. Revenues from natural gas and oil production from properties in which the Sellers have an interest with other producers are recognized on the basis of the Sellers’ net working interest (entitlement method). Direct revenues and direct operating expenses included in the accompanying statement represent the Company’s net working interest in the Acquired Properties. Direct operating expenses are recognized on the accrual basis and consist of field operating expenses, workovers, monthly operator overhead costs, production costs, severance and ad valorem taxes and other direct costs of operating the Acquired Properties. Direct intercompany expenses represent processing and transportation fees charged by an affiliate, Kansas Processing EQR, LLC.

The accompanying unaudited consolidated statements of direct revenues and direct operating expenses for the three months ended March 31, 2007 and March 31, 2006 have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles. In the opinion of management, all adjustments, consisting of normal, recurring adjustments, considered necessary for a fair presentation have been included. The information disclosed in the notes to the statements of direct revenues and direct operating expenses for these periods is unaudited. Operating results for the three months ended March 31, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007 or any future period.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. COMMITMENTS AND CONTINGENCIES

Pursuant to the terms of the purchase and sale agreement between the Seller and the Company, any claims, litigation or disputes pending as of the effective date (January 31, 2007) or any matters arising in connection with ownership of the Acquired Properties prior to the effective date are retained by the Seller. Notwithstanding this indemnification, management of EnergyQuest Resources LP is not aware of any legal, environmental or other commitments or contingencies that would have a material effect on the accompanying statements of direct revenues and direct operating expenses.

Supplemental Information About Natural Gas and Oil Properties Acquired from EnergyQuest Resources, L.P.

(unaudited)

The following estimates of proved natural gas and oil reserves, both developed and undeveloped, represent interests acquired by the Company in the transaction described above, and are located solely within the United States. Proved reserves represent estimated quantities of natural gas and oil which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved developed natural gas and oil reserves are the quantities expected to be economically recoverable through existing wells with existing equipment and operating methods. Proved undeveloped natural gas and oil reserves are reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells for which relatively major expenditures are required for completion.

The following estimates of proved reserves have been made by the Company’s engineers, on the basis of the net interest purchased by the Company. The estimated proved reserves are based upon subjective engineering judgments and may be affected by the limitations inherent in such estimation. The process of estimating reserves is subject to continual revision as additional information becomes available as a result of drilling, testing, reservoir studies and production history. There can be no assurance that such estimates will not be materially revised in subsequent periods. For a complete definition of proved reserves, proved developed reserves, and proved undeveloped reserves, please refer to Regulation S-X, Rule 4-10.

Changes in estimated reserve quantities

The changes in proved reserves of the Acquired Properties were as follows:

	Natural Gas (MMcf)	Oil (MBbls)
Reserves at January 1, 2005	38,938	11
Production	(2,474)	(3)
Revisions, extensions and discoveries	3,358	—
Reserves at December 31, 2005	39,822	8
Production	(2,279)	(2)
Revisions, extensions and discoveries	3,666	8
Reserves at December 31, 2006	41,209	14

Proved developed natural gas reserves as of:

January 1, 2005	21,453	MMcf
December 31, 2005	22,737	MMcf
December 31, 2006	23,479	MMcf

Proved developed oil reserves as of:

January 1, 2005	11	MBbls
December 31, 2005	8	MBbls
December 31, 2006	14	MBbls

Supplemental Information About Natural Gas and Oil Properties Acquired from EnergyQuest Resources, L.P.

(unaudited)

The standardized measure of discounted future net cash flows relating to proved natural gas and oil reserves ("Standardized Measure") is a disclosure requirement under Statement of Financial Accounting Standard No. 69, "*Disclosures about Oil and Gas Producing Activities.*"

The standardized measure of discounted future net cash flows does not purport to be, nor should it be interpreted to present, the fair value of the natural gas and oil reserves of the Acquired Properties. Unlike the standardized measure, an estimate of fair value would also take into account, among other things, the recovery of reserves not presently classified as proved, the value of unproved properties and consideration of expected future economic and operating conditions.

The estimates of future net cash flows are based on period-end sales prices for natural gas and oil, estimated future production of proved reserves and estimated future production and development costs of proved reserves, based on current prices and economic conditions. The estimated future net cash flows are then discounted at a rate of 10%. There is no future income tax expense, because the Company is in a non-taxable entity.

Standardized Measure of discounted future net cash flows from estimated production of proved natural gas and oil reserves as of December 31, 2006 and 2005:

	Year Ended December 31,	
	2006	2005
	(In 000's)	
Future cash inflows	$216,410	$ 329,495
Future production costs	(79,642)	(96,683)
Future development costs	(24,629)	(16,287)
Future net cash flows	112,139	216,525
10% annual discount per estimated timing of cash flow	(52,037)	(106,898)
Standardized measure of discounted future net cash flow at end of year	$ 60,102	$ 109,627

Principal sources of change in discounted future net cash flows for the years ended December 31, 2006 and 2005:

	Year Ended December 31,	
	2006	2005
	(In 000's)	
Sales of natural gas and oil produced, net of production costs	$(11,996)	$ (5,942)
Effect of change in prices	(52,950)	42,216
Accretion of discount	10,963	5,661
Development costs incurred	1,457	1,056
Extensions and discoveries	9,239	3,859
Revision of estimate, timing and other	(6,238)	6,170
Change in standardized measure	$(49,525)	$53,020

Supplemental Information About Natural Gas and Oil Properties Acquired from EnergyQuest Resources, L.P.

(unaudited)

Estimates of economically recoverable natural gas and oil reserves and of future net cash flows are based upon a number of variable factors and assumptions, all of which are to some degree subjective and may vary considerably from actual results. Therefore, actual production, revenues, development and operating expenditures may not occur as estimated. The reserve data are estimates only, are subject to many uncertainties and are based on data gained from production histories and on assumptions as to geologic formations and other matters. Actual quantities of natural gas and oil may differ materially from the amounts estimated.

REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Management of EnergyQuest Resources, L.P.:

In our opinion, the accompanying balance sheets and related statements of operations and comprehensive income, cash flows and changes in owners' equity present fairly, in all material respects, the financial position of Kansas Processing EQR, LLC at December 31, 2006 and 2005, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2006 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the management of EnergyQuest Resources, L.P. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 3 to the financial statements, Kansas Processing EQR, LLC has significant transactions and relationships with affiliated entities. Because of these relationships, it is possible that the terms of these transactions are not the same as those that would result from transactions among unrelated third parties. Furthermore, as described in Notes 1 and 3, the financial statements include various cost allocations and management estimates based on assumptions that management believes are reasonable under the circumstances. These allocations and estimates, however, are not necessarily indicative of the costs and expenses, assets or liabilities that would have resulted had Kansas Processing EQR, LLC been operated as a separate entity.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Houston, Texas
July 3, 2007

KANSAS PROCESSING EQR, LLC
Statements of Operations

	For the year ended December 31, 2006	For the year ended December 31, 2005	For the three months ended March 31, 2007 Unaudited	For the three months ended March 31, 2006 Unaudited
		(In 000's)		
Revenues				
Oil and gas sales	$ 1,059	$ 715	$ 268	$ 295
Intercompany sales	1,625	1,338	407	440
Total revenues	2,684	2,053	675	735
Expenses				
Operating expenses				
Operating expenses	1,238	922	323	244
Depreciation expense	544	368	130	136
Total operating expenses	1,782	1,290	453	380
Net income	$ 902	$ 763	$ 222	$ 355

See accompanying notes to financial statements.

KANSAS PROCESSING EQR, LLC
Balance Sheets

	December 31, 2006	December 31, 2005	March 31, 2007 (See Note 3) Unaudited
		(In 000's)	
Assets			
Current assets			
Cash and cash equivalents	$ 288	$ 258	$ 114
Accounts receivable	1,773	2,507	693
Intercompany receivable	2,400	3,000	2,400
Total current assets	4,461	5,765	3,207
Property, plant and equipment			
Pipeline, properties, equipment and facilities	11,538	10,391	11,623
Less accumulated depreciation	(929)	(384)	(1,059)
Net property, plant and equipment	10,609	10,007	10,564
Total assets	$ 15,070	$ 15,772	$ 13,771
Liabilities and Owners' Equity			
Liabilities			
Current liabilities			
Accounts payable	$ 1,546	$ 1,159	$ 805
Intercompany payable	5,306	7,297	4,526
Total liabilities	6,852	8,456	5,331
Commitments and contingencies (Note 4)			
Owners' equity	8,218	7,316	8,440
Total liabilities and owners' equity	$ 15,070	$ 15,772	$ 13,771

See accompanying notes to financial statements.

KANSAS PROCESSING EQR, LLC
Statements of Cash Flows

	For the year ended December 31, 2006	For the year ended December 31, 2005	For the three months ended March 31, 2007 Unaudited	For the three months ended March 31, 2006 Unaudited
		(In 000's)		
Cash flows from operating activities:				
Net income	$ 902	$ 763	$ 222	$ 355
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation expense	544	368	130	136
Changes in Assets and Liabilities:				
(Increase) decrease in accounts receivable	735	(2,223)	1,080	1,584
(Increase) decrease in intercompany receivable	600	(3,000)	—	—
Increase (decrease) in accounts payable	387	1,115	(741)	(295)
Increase (decrease) in intercompany payable	(1,991)	7,056	(780)	(1,203)
Net cash provided by (used in) operating activities	1,177	4,079	(89)	577
Cash flows from investing activities:				
Acquisition of property and equipment	(600)	(3,717)	—	—
Capital expenditures	(547)	(211)	(85)	(57)
Net cash used in investing activities	(1,147)	(3,928)	(85)	(57)
Cash flows from financing activities:				
Equity contribution	—	—	—	—
Net cash provided by financing activities	—	—	—	—
Net (decrease) increase in cash	30	151	(174)	520
Cash and cash equivalents, beginning of period	258	107	288	258
Cash and cash equivalents, end of period	$ 288	$ 258	$ 114	$ 778
Non-Cash Items:				
Contribution from Parent to fund acquisition	$ —	$ 2,698	$ —	$ —
Non-cash acquisition of property and equipment	—	$ (2,698)	—	—

See accompanying notes to financial statements.

KANSAS PROCESSING EQR, LLC
Statements of Changes in Owners' Equity

	Total Owners' Equity (In 000's)
Balance, January 1, 2005	$ 3,855
Contributions from owner	2,698
Net income	763
Balance, December 31, 2005	7,316
Net income	902
Balance, December 31, 2006	8,218
Net income	222
Balance, March 31, 2007	$ 8,440

See accompanying notes to financial statements.

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

The accompanying financial statements are presented in conformity with generally accepted accounting principles in the United States of America. These financial statements have been prepared from the historical accounting records of EnergyQuest Resources LP (a Delaware limited liability partnership) (the “Partnership”) and are presented on a carve-out basis to include historical operations applicable to Kansas Processing EQR, LLC (a Delaware limited liability company) (“KPC”).

The Partnership was formed on July 1, 2004 to engage in natural gas and oil exploration and production. The Partnership owns KPC, which was formed on November 16, 2004 to acquire natural gas and oil properties and a natural gas processing and gathering system. KPC owns and operates a natural gas processing and gathering system.

In April 2007, Constellation Energy Partners LLC (“CEP”) entered into a definitive agreement with the Partnership to acquire assets from the Partnership including KPC’s natural gas processing and gathering system and other natural gas and oil working interests for $115 million, subject to normal purchase price adjustments. The accompanying combined financial statements do not give effect to the acquisition of KPC by CEP.

The financial statements include all revenues and costs directly attributable to KPC as well as allocations of expenses as determined by management.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ significantly from these estimates.

All of the allocations and estimates in the combined financial statements are based on assumptions that the Partnership’s management believes are reasonable under the circumstances. However, these allocations and estimates are not necessarily indicative of the costs and expenses that would have resulted if KPC had been operated as an independent entity. It is not practicable to estimate the costs and expenses that would have resulted on a stand-alone basis.

In addition, the Partnership provided cash management services to KPC through centralized treasury function. As a result, all charges and cost allocations for facilities, functions and services performed by the Partnership for KPC are deemed to have been paid by KPC to the Partnership, in cash, during the period in which the cost was recorded in the combined financial statements.

Unless the context requires otherwise, any reference to “Kansas Processing,” “we,” “our,” “us” or the “Company” means Kansas Processing EQR, LLC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unaudited Interim Financial Information

The accompanying unaudited balance sheet as of March 31, 2007 and the unaudited statements of operations, cash flows and statement of changes in owners' equity for the three months ended March 31, 2007 and March 31, 2006, have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments, consisting of normal, recurring adjustments, considered necessary for a fair presentation have been included. The information disclosed in the notes to the financial statements for these periods is unaudited. Operating results for the three months ended March 31, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007 or any future period.

Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less are considered cash equivalents.

Revenue Recognition

We recognize revenues as services are rendered at a fixed or determinable price, delivery has occurred, title has transferred and collectibility of the revenue is reasonably assured.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. We routinely assess the financial strength of our customers and bad debts are recorded based on an account-by-account review after all means of collection have been exhausted and the potential recovery is considered remote. We do not have any bad debt reserve or off-balance-sheet credit exposure related to our customers.

Property, Plant and Equipment

Property, plant and equipment consists primarily of natural gas gathering pipelines, a processing facility, vehicles and office equipment.

We report property, plant and equipment at its acquisition cost. We expense costs for maintenance and repairs in the period incurred. The cost of property, plant and equipment sold or retired and the related depreciation are removed from our balance sheet in the period of sale or disposition. We charge the original cost of property sold or retired to accumulated depreciation and amortization, net of salvage and cost of removal.

We compute depreciation using the double-declining method based on estimated economic lives. The economic lives range from 5 to 40 years. Depreciation estimates are based on various factors, including age (in the case of acquired assets), manufacturing specifications, technological advances and historical data concerning useful lives of similar assets. When assets are put into service, we make estimates with respect to useful lives (and salvage values where appropriate) that we believe are reasonable. However, subsequent events could cause us to change our estimates, thus impacting the future calculation of depreciation and amortization expense. A gain on the sale of property, plant and equipment is calculated as the difference between the cost of the asset disposed of, net of depreciation, and the sales proceeds received.

A gain on an asset disposal is recognized in income in the period that the sale is closed. A loss on the sale of property, plant and equipment is calculated as the difference between the cost of the asset disposed of, net of depreciation, and the sales proceeds received or the market value if the asset is being held for sale. A loss is recognized when the asset is sold or when the net cost of an asset held for sale is greater than the market value of the asset.

We evaluate the impairment of our long-lived assets in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets.* SFAS No. 144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of book value or fair value less the cost to sell. We review for the impairment of long-lived assets whenever events or changes in circumstances indicate that our carrying amount of an asset may not be recoverable. We would recognize an impairment loss when estimated future cash flows expected to result from our use of the asset and its eventual disposition is less than its carrying amounts.

Income Taxes

We are not a taxable entity for federal income tax purposes. As such, we do not directly pay federal income tax. Our taxable income or loss, which may vary substantially from the net income or net loss we report in our consolidated statement of income, is includable in the federal income tax returns of each partner. The aggregate difference in the bases of our net assets for financial and tax reporting purposes cannot be readily determined as we do not have access to information about each partner's tax attributes in us.

3. RELATED PARTY TRANSACTIONS

The Company has entered into transactions with the Partnership and its subsidiaries. All transactions were entered into in the ordinary course of business. Because of these relationships, it is possible that the terms of these transactions are not the same as those that would result from transactions among wholly unrelated parties.

The Company performs natural gas gathering and processing services for the Partnership and its subsidiaries. The Company recorded intercompany revenues of approximately $1.6 million, $1.3 million, $0.4 million and $0.4 million for the twelve month periods ended December 31, 2006 and 2005 and for the three month periods ended March 31, 2007 and 2006, respectively. The Company had an intercompany receivable from the Partnership and its subsidiaries of $2.4 million, $2.4 million and $3.0 million as of March 31, 2007, December 31, 2006 and December 31, 2005, respectively. This intercompany receivable balance is included in current assets in the accompanying balance sheets.

The Partnership provides cash management services to the Company through a centralized treasury function. As a result, all charges and cost allocations for facilities, functions and services are paid for on the Company's behalf by the Partnership. These direct charges and cost allocations are then passed onto the Company by the Partnership and an intercompany payable to the Partnership is established. The costs of services were directly charged to or allocated between the Partnership and the Company using methods which the Partnership's management considered reasonable. Allocation methods include proportionate allocation on the basis of assets, usage, revenues and employees. Such charges are not necessarily indicative of amounts that would have been incurred had the Company operated as a separate entity. The Company had an intercompany payable to the Partnership and its subsidiaries of $4.5 million, $5.3 million and $7.3 million as of March 31, 2007, December 31, 2006 and December 31, 2005, respectively. This intercompany payable balance is included in current liabilities in the accompanying balance sheets.

Capital Contribution

During 2005, EnergyQuest Resources, L.P. made a capital contribution to KPC in the amount of $2.7 million. This capital contribution was made in the form of converting the $2.7 million balance of our long-term related party note payable into equity. The balance of the related party note payable resulted principally from asset acquisitions which were funded on our behalf by EnergyQuest Resources, L.P.

4. COMMITMENTS AND CONTINGENCIES

In the course of our normal business affairs, we are subject to possible loss contingencies arising from federal, state and local environmental, health, and safety laws and regulations and third-party litigation. As of March 31, 2007, March 31, 2006, December 31, 2006 and December 31, 2005, there are no matters which, in the opinion of management, will have a material adverse effect on our financial position, results of operations or cash flows.

Constellation Energy Partners LLC

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

INDEX

Constellation Energy Partners LLC
Unaudited Pro Forma Condensed Combined Statement of Operations
At March 31, 2007

	CEP Historical	KPC Historical	Pro Forma Adjustments		CEP Pro Forma
		(In 000's, except share data)			
Assets					
Current assets					
Cash and cash equivalents	$ 8,065	$ 114	$ 4,498	b	$ 12,677
Accounts receivable	6,101	693	(693)	i	6,101
Prepaid expenses	477	—	—		477
Risk management assets	2,663	—	—		2,663
Acquisition escrow deposit	10,020	—	(10,020)	c	—
Other receivable	19	2,400	(2,400)	i	19
Total current assets	27,345	3,207	(8,615)		21,937
Natural gas properties (See Note 2)					
Natural gas properties and related equipment					
Natural gas properties, equipment and facilities	186,434	11,623	102,366	a	300,423
Material and supplies	1,486	—	—		1,486
Less accumulated depreciation, depletion and amortization	(13,559)	(1,059)	1,059	i	(13,559)
Net natural gas properties	174,361	10,564	103,425		288,350
Other assets					
Loan Costs	1,125	—	97	c	1,222
Other Non-Current Assets	72	—	4,024	a	4,096
Risk management assets	2,529	—	—		2,529
Total assets	$205,432	$13,771	$ 98,931		$318,134
Liabilities and members' equity (deficit)					
Liabilities					
Current liabilities					
Accounts payable	$ 22	$ 805	$ (805)	i	$ 22
Payable to affiliate	913	4,526	(4,526)	i	913
Accrued liabilities	4,176	—	197	a	4,373
Royalty payable	2,135	—	—		2,135
Environmental liability	721	—	—		721
Mark to market derivative liabilities	1,618	—	—		1,618
Total current liabilities	9,585	5,331	(5,134)		9,782
Other liabilities					
Asset retirement obligation	2,786	—	3,130	a	5,916
Mark to market derivative liabilities	1,017	—	—		1,017
Debt	32,000	—	50,500	b	82,500
Total other liabilities	35,803	—	53,630		89,433
Total liabilities	45,388	5,331	48,496		99,215
Class D Interests	8,000	—	—		8,000
Members' equity (deficit)					
Class A units, 273,305 shares authorized, issued and outstanding	2,974	8,440	(7,263)	b	4,151
Class B units, 13,301,578 shares authorized, issued and outstanding	145,737	—	57,309	b	203,046
Class E units, 90,376 shares authorized, issued and outstanding	—	—	389	b	389
Accumulated other comprehensive income	3,333	—	—		3,333
Total members' equity	152,044	8,440	50,435		210,919
Total liabilities and members' equity	$205,432	$13,771	$ 98,931		$318,134

See accompanying notes to unaudited pro forma condensed combined financial statements.

Constellation Energy Partners LLC
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2006

	CEP Historical	EQR and KPC Historical	Pro Forma Adjustments		CEP Pro Forma
		(In 000's, except share data)			
Revenues					
Gas sales	$ 36,917	$ 18,772	$ (1,625)	i	$ 54,064
Loss from mark-to-market activities	—	—	—		—
Total Revenues	36,917	18,772	(1,625)		54,064
Expenses:					
Operating expenses:					
Lease operating expenses	7,234	8,806	(1,625)	i	14,415
Production taxes	1,783	812	—		2,595
General and administrative	4,573	—	—	h	4,573
Depreciation, depletion and amortization	7,444	544	6,387	d	14,375
Accretion expense	141	—	216	e, i	357
Total operating expenses	21,175	10,162	4,978		36,315
Other expense/(income)					
Interest expense	221	—	4,404	f, g	4,625
Interest (income)	(468)	—	—		(468)
Total other expenses/(income)	(247)	—	4,404		4,157
Total expenses	20,928	10,162	9,382		40,472
Net income (loss)	$ 15,989	$ 8,610	$ (11,007)		$ 13,592
Other comprehensive income	13,113	—	—		13,113
Comprehensive income (loss)	$ 29,102	$ 8,610	$ (11,007)		$ 26,705
Earnings per unit - Basic	$ 1.41				$ 0.99
Units outstanding - Basic	11,320,300		2,344,959	b	13,665,259
Earnings per unit - Diluted	$ 1.41				$ 0.99
Units outstanding - Diluted	11,320,300		2,344,959	b	13,665,259

See accompanying notes to unaudited pro forma condensed combined financial statements.

Constellation Energy Partners LLC
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Three Months Ended March 31, 2007

	CEP Historical	EQR and KPC Historical	Pro Forma Adjustments		CEP Pro Forma
		(In 000's, except share data)			
Revenues					
Gas sales	$ 11,307	$ 4,221	$ (407)	i	$ 15,121
Loss from mark-to-market activities	(2,782)	—	—		(2,782)
Total Revenues	8,525	4,221	(407)		12,339
Expenses:					
Operating expenses:					
Lease operating expenses	1,595	2,015	(407)	i	3,203
Production taxes	459	171	—		630
General and administrative	1,619	—	—	h	1,619
Loss on sale of asset	95	—	—		95
Depreciation, depletion and amortization	1,959	130	1,515	d, i	3,604
Accretion expense	36	—	54	e	90
Total operating expenses	5,763	2,316	1,162		9,241
Other expense/(income)					
Interest expense	559	—	1,073	f, g	1,632
Interest (income)	(51)	—	—		(51)
Total other expenses/(income)	508	—	1,073		1,581
Total expenses	6,271	2,316	2,235		10,822
Net income (loss)	$ 2,254	$ 1,905	$ (2,642)		$ 1,517
Other comprehensive income	(9,780)	—	—		(9,780)
Comprehensive income (loss)	$ (7,526)	$ 1,905	$ (2,642)		$ (8,263)
Earnings per unit—Basic	$ 0.20				$ 0.11
Units outstanding—Basic	11,320,300		2,344,959	b	13,665,259
Earnings per unit—Diluted	$ 0.20				$ 0.11
Units outstanding—Diluted	11,320,300		2,344,959	b	13,665,259

See accompanying notes to unaudited pro forma condensed combined financial statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The unaudited pro forma condensed combined balance sheet as of March 31, 2007, is derived from:

- the historical consolidated financial statements of Constellation Energy Partners LLC (“CEP,” or the “Company”);
- the historical statements of Kansas Processing EQR, LLC (“KPC”) and
- the preliminary purchase price allocation of certain oil and natural gas properties and other related assets including the processing and gathering system acquired from KPC (referred to as the “EnergyQuest Assets”) acquired from EnergyQuest Resources, L.P. (“EQR”).

The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2006, and the three months ended March 31, 2007, are derived from:

- the historical consolidated financial statements of CEP;
- the historical statements of direct revenues and direct operating expenses of EQR and
- the historical financial statements of KPC.

The unaudited pro forma condensed combined balance sheet gives effect to the acquisition of the EnergyQuest Assets and the related financing activities as if the transactions had occurred on March 31, 2007. The unaudited pro forma condensed combined statement of operations gives effect to the acquisition of the EnergyQuest Assets and the related financing activities as if the transactions had occurred on January 1, 2006.

The unaudited pro forma condensed combined financial statements reflect the following transactions:

- the acquisition of the EnergyQuest Assets;
- the equity issuance of additional Class B and the Class E units on April 23, 2007, used to finance the acquisition of the EnergyQuest Assets and
- an increase in debt on April 19, 2007, used to finance the acquisition of the EnergyQuest Assets and to fund certain investment capital expenditures in the Robinson’s Bend Field.

The unaudited pro forma condensed combined balance sheet and statement of operations are presented for illustrative purposes only, and do not purport to be indicative of the financial position or results of operations that would actually have occurred if the transactions described had occurred as presented in such statements or that may be obtained in the future. In addition, future results may vary significantly from the results reflected in such statements due to factors described in “Risk Factors” included in our Quarterly Report on Form 10-Q for the three months ended March 31, 2007, in our Annual Report on Form 10-K for the year ended December 31, 2006 or elsewhere in the Company’s reports and filings with the Securities and Exchange Commission (“SEC”). The following unaudited pro forma condensed combined balance sheet and statements of operations should be read in conjunction with our historical consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2006 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2007.

The pro forma statements should also be read in conjunction with the statements of direct revenues and direct operating expenses for EQR and the notes thereto and the consolidated financial statements of KPC included elsewhere in this Form 8-K/A.

2. ACQUISITION AND PRELIMINARY PURCHASE PRICE ALLOCATION

The acquisition of the EnergyQuest Assets was completed on April 23, 2007, effective January 31, 2007. The Company acquired certain oil and natural gas properties from EQR for approximately $115.0 million, subject to customary closing adjustments.

The acquisition included estimated proved reserves of approximately 43 Bcfe and over 600 gross producing wells on approximately 96,000 gross acres in Kansas and Oklahoma. Also included were support equipment and facilities, including certain pipeline gathering systems and the outstanding membership interests in six limited liability companies that primarily operate related support facilities.

The total consideration was $118.0 million which consisted of cash of $114.8 million and the assumption of an estimated asset retirement obligation of $3.1 million and other miscellaneous liabilities of $0.1 million. The purchase price allocation of the total consideration of $118.0 million is as follow:

Natural Gas and Oil Properties	$ 106.1 million
Pipelines	5.7 million
Investment in Unconsolidated Affiliates	4.0 million
Unproved Properties	1.6 million
Other PP&E	0.5 million
Land	0.1 million
Asset Retirement Obligation	(3.1 million)
Other Miscellaneous Liabilities	(0.1 million)
Total	$ 114.8 million

The preliminary purchase price allocation used for the purpose of this pro forma financial information is based on preliminary appraisals, evaluations of proved oil and natural gas reserves, discounted cash flows, quoted market prices and other estimates by management. The purchase price allocation related to the acquisition of the EnergyQuest Assets is preliminary and subject to change, pending finalization of the valuation of the assets and liabilities acquired.

3. PRO FORMA ADJUSTMENTS

The unaudited pro forma condensed combined financial statements have been adjusted to reflect the following:

a. the purchase of the EnergyQuest Assets as detailed in Note 2

b. the issuance and sale of 90,376 Class E Units and 2,207,684 New Common Units for approximately $58.8 million and borrowings of $50.5 million under the reserve-based credit facility to fund the remaining balance of the purchase price and certain investment capital expenditures in the Robinson’s Bend Field

c. the use of $10 million borrowed under the reserve-based credit facility to fund an escrow account related to the purchase of the EnergyQuest Assets and the related debt issuance costs of approximately $0.1 million

d. recording incremental depreciation, depletion and amortization expense related to the acquired EnergyQuest Assets based on the relative fair value allocation of the purchase price to the acquired assets

e. recording incremental accretion expense related to the assumed asset retirement obligation

f. recording incremental interest expense at 7.235% associated with the increase in long-term debt of approximately $60.5 million incurred to fund the balance of the purchase price, the escrow deposit and certain investment capital expenditures in the Robinson's Bend Field. A 0.125% increase or decrease in this rate results in a $0.1 million change in interest expense.

g. recording incremental amortization of additional debt issuance costs associated with the increase in the reserve-based credit facility

h. no incremental pro forma adjustments for general and administrative expenses have been reflected for any costs associated with the Transition Services Agreement where EQR will operate the EnergyQuest Assets and conduct a specified drilling program on CEP's behalf. The Transition Services Agreement provides for a reimbursement of EQR's actual costs plus a 10% premium for any general and administrative services that CEP specifically requests. This amount may not be indicative of any actual future general and administrative costs incurred by CEP. Under this agreement, CEP estimates that the monthly requested general and administrative services will be approximately $140,000 per month.

i. to reflect the historical financial statement data for KPC, the allocated fair market value for the acquired KPC assets, and to eliminate intercompany activities between EQR and KPC, and to eliminate historical balances not acquired in the KPC asset acquisition.

4. DEBT

On March 7, 2007, the Company borrowed an additional $10.0 million under its reserve-based credit facility to fund an escrow account for the purchase of the EnergyQuest Assets. On April 19, 2007, the Company borrowed an additional $50.5 million to fund the remaining balance of the purchase price and to fund certain investment capital expenditures in the Robinson's Bend Field. The interest rate on these borrowings is LIBOR plus an applicable margin, or 7.235%.

The borrowing base on the reserve-based credit facility was increased to $105.0 million in April 2007 and the total debt outstanding on the facility is $82.5 million. Debt issuance costs related to the increase were approximately $0.1 million which are being amortized over the life of the facility. The reserve-based credit facility will mature in October 2010.

5. EQUITY ISSUANCE

On March 9, 2007, the Company entered into a Class E Unit and Common Unit Purchase Agreement (the "Unit Purchase Agreement") with certain unaffiliated third-party investors (the "Purchasers") to sell 90,376 Class E Units representing limited liability company interests (the "Class E Units") and 2,207,684 common units representing Class B limited liability company interests (the "New Common Units") in a private placement (the "Private Placement") for an aggregate purchase price of approximately $60 million. The Company issued and sold 90,376 Class E Units and 2,207,684 New Common Units to the Purchasers pursuant to the Unit Purchase Agreement on April 23, 2007. The Company used the proceeds from the Private Placement, together with funds available under the Company's reserve-based credit facility, to fund the purchase price of the EnergyQuest Assets. Transaction costs were approximately $1.2 million. At the issuance of the Class E and New Common Units, additional Class A units were issued such that the total outstanding amount remained at 2% of all outstanding units.

In connection with the Unit Purchase Agreement, the Company entered into a registration rights agreement (the "Registration Rights Agreement") with the Purchasers dated April 23, 2007. Pursuant to the Registration Rights Agreement, the Company is required to prepare and file a registration statement within 75 days of the closing of the Private Placement (the "Closing Date"), and use its commercially reasonable efforts to cause the registration statement to become effective no later than 120 days following the Closing Date. In addition, the Registration Rights Agreement gives the Purchasers piggyback registration rights under certain circumstances. These registration rights are transferable to affiliates and, in certain circumstances, to third parties.

If the registration statement is not declared effective within 150 days after the Closing Date, then the Company must pay each Purchaser, as liquidated damages, 0.25% of the sum of the product of $25.84 times the number of Class E Units purchased by such Purchaser plus the product of $26.12 times the number of New Common Units purchased by such Purchaser (the "Liquidated Damages Multiplier") per 30-day period for the first 90 days following the 150th day after the Closing Date, increasing by an additional 0.25% of the Liquidated Damages Multiplier per 30-day period for each subsequent 30 days, up to a maximum of 1.00% of the Liquidated Damages Multiplier per 30-day period. There is no limitation on the aggregate amount of the liquidated damages the Company must pay each Purchaser.

6. SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES (Unaudited)

The following table sets forth certain unaudited pro forma information concerning the Company's proved oil and natural gas reserves for the year ended December 31, 2006, giving effect to the transaction relating to the acquisition of the EnergyQuest Assets as if it had occurred on January 1, 2006. The information excludes reserves related to royalty and net profit interests. The Company's estimate of proved reserves is based on the quantities of natural gas that engineering and geological analyses demonstrate, with reasonable certainty, to be recoverable from established reservoirs in the future under current operating and economic parameters. There are numerous uncertainties inherent in estimating the quantities of proved reserves and projecting future rates of production and timing of development expenditures. The following reserve data represents estimates only and should not be construed as being exact.

Natural Gas Reserves—MMCF

	Year-Ended December 31, 2006		
	CEP Historical	EQR Historical	CEP Pro Forma
Beginning Balance	112,025	39,822	151,847
Extensions and discoveries	—	5,334	5,334
Revisions of previous estimates	12,952	(1,668)	11,284
Production	(4,641)	(2,279)	(6,920)
End of year	120,336	41,209	161,545
Total developed reserves	97,387	23,479	120,866

Oil, Condensate, and Liquids—BBLS

	Year-Ended December 31, 2006		
	CEP Historical	EQR Historical	CEP Pro Forma
Beginning Balance	—	8	8
Revisions of previous estimates	—	8	8
Production	—	(2)	(2)
End of year	—	14	14
Total Developed Reserves	—	14	14

Natural Gas Reserves—MMCFE

	Year-Ended December 31, 2006		
	CEP Historical	EQR Historical	CEP Pro Forma
Beginning Balance	112,025	39,873	151,898
Extensions and discoveries	—	5,334	5,334
Revisions of previous estimates	12,952	(1,621)	11,331
Production	(4,641)	(2,293)	(6,934)
End of year	120,336	41,293	161,629
Total developed reserves	97,387	23,563	120,950

The following table sets forth certain unaudited pro forma information for the Company's standardized measure of discounted cash flows relating to proved oil and natural gas reserves as of December 31, 2006, giving effect to the transaction relating to the acquisition of the EnergyQuest Assets as if it had occurred on January 1, 2006. Certain information concerning the assumptions used in computing the valuation of proved reserves and their inherent limitations are discussed below.

Future cash inflows are calculated by applying year-end prices of natural gas, relating to the proved reserves, to the year-end quantities of those reserves. Future cash inflows exclude the impact of the Company's hedging program and mark-to-market derivatives. Future development and production costs represent the estimated future expenditures (based on year-end costs) to be incurred in developing and producing the proved reserves, assuming continuation of existing economic conditions. In addition, asset retirement obligations are included within future production and development costs. There are no future income tax expenses because the Company is a non-taxable entity.

The assumptions used to compute estimated future cash inflows do not necessarily reflect expectations of actual revenues or costs or their present value. In addition, variations from expected production rates could result directly or indirectly from factors outside of the Company's control, such as unexpected delays in development, changes in prices or regulatory or environmental policies. The reserve valuation further assumes that all reserves will be disposed of by production; however, if reserves are sold in place, additional economic considerations could also affect the amount of cash eventually realized.

Standardized Measure

	Year-Ended December 31, 2006		
	CEP Historical	EQ Historical	CEP Pro Forma
Future cash inflows	677,866	216,410	894,276
Future production costs	(257,502)	(79,642)	(337,144)
Future estimated development costs	(64,673)	(24,629)	(89,302)
Future net cash inflows	355,691	112,139	467,830
10% annual discount for estimated timing of cash flows	(235,504)	(52,037)	(287,541)
Standardized measure of discounted estimated future net cash flows	120,187	60,102	180,289

The following table sets forth certain unaudited pro forma information for the principal sources of changes in discounted future net cash flows from the Company's proved oil and natural gas reserves for the year ended December 31, 2006, giving effect to the transaction relating to the acquisition of the EnergyQuest Assets as if it had occurred on January 1, 2006.

Changes in Standardized Measure

	Year-Ended December 31, 2006		
	CEP Historical	EQ Historical	CEP Pro Forma
Beginning of the period	295,435	109,627	405,062
Sales and transfer of natural gas and oil, net of production costs	(40,064)	(11,996)	(52,060)
Net changes in prices and production costs related to future production	(193,499)	(52,950)	(246,449)
Development costs incurred during the period	12,292	1,457	13,749
Changes in extensions and discoveries	—	9,239	9,239
Revisions of previous quantity estimates	18,435	(3,013)	15,422
Accretion discount	29,624	10,963	40,587
Other	(2,036)	(3,225)	(5,261)
Standardized measure of discounted estimated future net cash flows	120,187	60,102	180,289

7. SUBSEQUENT EVENT

On June 26, 2007, a special meeting of CEP's common unitholders was held. At this meeting, the common unitholders approved the conversion of all outstanding Class E units into common units. As a result of the approval, all 90,376 of the Company's outstanding Class E units have been canceled and the same number of common units have been issued to the former holders of the Class E units. To facilitate the conversion, the common unitholders approved both a change in the terms of the Company's Class E units to provide that each Class E unit is convertible into the Company's common units, and the issuance of additional common units upon the conversion of the Class E units.