

Kimel Shawn  
Form 4  
February 17, 2010

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
K2 PRINCIPAL FUND, L.P.

(Last) (First) (Middle)

444 ADELAIDE STREET  
WEST, SUITE 200

(Street)

TORONTO, CANADA, A6 M5V  
1S7

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ENERGY PARTNERS LTD [EPL]

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/12/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership: Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, par value \$0.001 per share	02/12/2010		S		150,000 (1) (2) (3)	D	\$ 9.97 3,939,178 D (5)
Common Stock, par value \$0.001 per share	02/16/2010		S		50,000 (4)	D	\$ 10 3,889,178 D (5)
	02/16/2010		S		660 (4)	D	3,888,518 D (5)

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Common Stock, par value \$0.001 per share					\$ 10.01			
Common Stock, par value \$0.001 per share	02/16/2010	S	100 <sup>(4)</sup>	D	\$ 10.03	3,888,418	D <sup>(5)</sup>	
Common Stock, par value \$0.001 per share	02/16/2010	S	100 <sup>(4)</sup>	D	\$ 10.04	3,888,318	D <sup>(5)</sup>	
Common Stock, par value \$0.001 per share	02/16/2010	S	3,534 <sup>(4)</sup>	D	\$ 10.05	3,884,784	D <sup>(5)</sup>	
Common Stock, par value \$0.001 per share	02/16/2010	S	400 <sup>(4)</sup>	D	\$ 10.06	3,884,384	D <sup>(5)</sup>	
Common Stock, par value \$0.001 per share	02/16/2010	S	1,400 <sup>(4)</sup>	D	\$ 10.09	3,882,984	D <sup>(5)</sup>	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
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(Instr. 3,  
4, and 5)

	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Code V (A) (D)				

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
K2 PRINCIPAL FUND, L.P. 444 ADELAIDE STREET WEST SUITE 200 TORONTO, CANADA, A6 M5V 1S7		X		
K2 GenPar, Inc. 444 ADELAIDE STREET WEST SUITE 200 TORONTO, CANADA, A6 M5V 1S7		X		
K2 & Associates Investment Management Inc. 444 ADELAIDE STREET WEST SUITE 200 TORONTO, CANADA, A6 M5V 1S7		X		
Shawn Kimel Investments, Inc. 444 ADELAIDE STREET WEST SUITE 200 TORONTO, CANADA, A6 M5V 1S7		X		
Kimel Shawn 444 ADELAIDE STREET WEST SUITE 200 TORONTO, CANADA, A6 M5V 1S7		X		

## Signatures

/s/ Shawn Roland Kimel, President of K2 GenPar, Inc., General Partner of THE K2 PRINCIPAL FUND, L.P.	02/16/2010
**Signature of Reporting Person	Date
/s/ Shawn Roland Kimel, President of K2 GENPAR, INC.	02/16/2010
**Signature of Reporting Person	Date
/s/ Shawn Roland Kimel, President of K2 & ASSOCIATES INVESTMENT MANAGEMENT INC.	02/16/2010
**Signature of Reporting Person	Date
/s/ Shawn Roland Kimel, President of SHAWN KIMEL INVESTMENTS, INC.	02/16/2010
**Signature of Reporting Person	Date
/s/ Shawn Roland Kimel	02/16/2010

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

On February 12, 2010, The K2 Principal Fund, L.P. (the "Fund") sold 150,000 shares of the common stock of Energy Partners, Ltd.

- (1) ("Shares") in an open market transaction for an aggregate sale price of \$1,495,500, or \$9.97 per Share. Immediately following this transaction, the Reporting Persons no longer beneficially owned at least 10% of the Issuer's outstanding shares of common stock.

The Reporting Persons are aware that profits earned on the sale transaction described in Footnote 1 are of the type covered by Section 16(b) of the Securities Exchange Act of 1934, as amended ("Section 16(b)"), and are matchable under Section 16(b) against purchases of

- (2) 14,522 shares made by the Reporting Persons on September 25, 2009 (the "September Purchases"). Although sales by the Reporting Persons on September 23, 2009 of 3,192 shares (the "September Sales") have already been matched against a portion of the September Purchases, the sales price on February 12, 2010 was higher than the sales price for the September Sales. (Continued in footnote 3)

Both the September Sales and the September Purchases, as well as the Reporting Persons' obligation to disgorge profits, were reported in the Reporting Persons' Form 3. Therefore, the amount of short-swing profits to be disgorged has been recalculated in accordance with the

- (3) requirements of Section 16(b) so as to maximize the profits to be disgorged. Promptly after the execution of the sale of the Shares described in Footnote 1, the Reporting Persons reported the above transactions to the Issuer (through the office of the General Counsel) and will remit the profits from the transaction to the Issuer.

On February 16, 2010, after the Reporting Persons ceased to own at least 10% of the Issuer's outstanding shares of common stock, the

- (4) Fund sold (a) 50,000 Shares in an open market transaction for an aggregate purchase price of \$500,000, or \$10.00 per Share, and (b) 6,194 Shares in multiple open market transactions for an aggregate purchase price of \$62,280.67, or \$10.055 per Share.

The securities reported herein are directly beneficially owned by the Fund. K2 GenPar, Inc. (the "GP") is the general partner of the Fund and a wholly owned subsidiary of K2 & Associates Investment Management Inc. ("Management"). Management is the investment

- (5) manager and advisor of the Fund and a majority-owned subsidiary of Shawn Kimel Investments, Inc. ("SKI"). Mr. Shawn Kimel is the President of each of the GP, Management and SKI. Accordingly, the GP, Management, SKI and Mr. Kimel may each be deemed to indirectly beneficially own the securities.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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