

ENERGY PARTNERS LTD
Form SC 13D/A
February 22, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D/A

Under the Securities Exchange Act of 1934

(Amendment No. 1)

ENERGY PARTNERS, LTD.

(Name of Issuer)

Common Stock, par value \$0.001

(Title and Class of Securities)

29270U303

(CUSIP Number)

Daniel Gosselin

The K2 Principal Fund, L.P.

444 Adelaide Street West, Suite 200

Toronto, Canada A6 M5V 1S7

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Telephone Number: (416) 865-2732

Facsimile Number: (416) 703-4443

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

February 18, 2010

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box " ".

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. *See* Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of section 18 of the Securities Exchange Act of 1934 (the Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see* the *Notes*).

(Continued on following pages)

(Page 1 of 9 Pages)

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

THE K2 PRINCIPAL FUND, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) " (b) "

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) "

6 CITIZENSHIP OR PLACE OF ORGANIZATION

ONTARIO, CANADA

7 SOLE VOTING POWER

NUMBER OF

SHARES 8 -0- SHARED VOTING POWER

BENEFICIALLY

OWNED BY 3,671,103
EACH 9 SOLE DISPOSITIVE POWER

REPORTING

PERSON 10 -0- SHARED DISPOSITIVE POWER

WITH

3,671,103

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12 3,671,103
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ..

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

14 9.2%
TYPE OF REPORTING PERSON

PN

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

K2 GENPAR, INC.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) " (b) "

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TYPE OF REPORTING PERSON

CO

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I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

2 K2 & ASSOCIATES INVESTMENT MANAGEMENT INC.
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) " (b) "

3 SEC USE ONLY

4 SOURCE OF FUNDS

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CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) "

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CO

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

SHAWN KIMEL

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) " (b) "

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4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) "

6 CITIZENSHIP OR PLACE OF ORGANIZATION

CANADA

7 SOLE VOTING POWER

NUMBER OF

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BENEFICIALLY

OWNED BY 9 3,671,103 SOLE DISPOSITIVE POWER
EACH

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TYPE OF REPORTING PERSON

IN

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

SHAWN KIMEL INVESTMENTS, INC.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

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ONTARIO, CANADA

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14 9.2%
TYPE OF REPORTING PERSON

CO

CUSIP No. 29270U303

Schedule 13D/A

Page 7 of 9 Pages

This Amendment No. 1 to Schedule 13D modifies and supplements the Schedule 13D initially filed on October 2, 2009 (the Statement) with respect to the common stock, par value \$0.001 per share (the Common Stock), of Energy Partners, Ltd. (the Company). Except to the extent supplemented by the information contained in this Amendment No. 1, the Statement, as amended as provided herein, remains in full force and effect. Capitalized terms used but not defined herein have the respective meanings ascribed to them in the Statement.

Item 5. Interest in Securities of the Issuer

Since the date of the Statement, the Reporting Persons sold an aggregate of 418,075 shares of Common Stock in open market transactions at an average price of \$9.9914 per share. These transactions in the aggregate comprise more than one percent of the shares of Common Stock of the Company (on the basis of 40,017,604 shares of Common Stock issued and outstanding as reported in the Company's Form 10-Q filed with the Securities and Exchange Commission on November 9, 2009) and were effected on the following dates for the following average price per share:

Date	Total Shares Sold	Average Price per Share
February 12, 2010	150,000	\$ 9.97
February 16, 2010	56,194	\$ 10.006
February 17, 2010	3,567	\$ 10.012
February 18, 2010	208,314	\$ 10.002

As a result of the purchases described above, the aggregate number and percentage of shares of Common Stock beneficially owned by the Reporting Persons as of the date hereof are as follows:

The K2 Principal Fund, L.P.

(a) Amount beneficially owned:	3,671,103	Percent of class:	9.2%
(b) Number of shares as to which the person has:			
(i) Sole power to vote or direct the vote:	0		
(ii) Shared power to vote or direct the vote:	3,671,103		
(iii) Sole power to dispose or direct the disposition of:	0		
(iv) Shared power to dispose or direct the disposition of:	3,671,103		

K2 GenPar, Inc.

(a) Amount beneficially owned:	3,671,103	Percent of class:	9.2%
(b) Number of shares as to which the person has:			
(i) Sole power to vote or direct the vote:	0		
(ii) Shared power to vote or direct the vote:	3,671,103		
(iii) Sole power to dispose or direct the disposition of:	0		
(iv) Shared power to dispose or direct the disposition of:	3,671,103		

K2 & Associates Investment Management Inc.

(a) Amount beneficially owned:	3,671,103	Percent of class:	9.2%
(b) Number of shares as to which the person has:			
(i) Sole power to vote or direct the vote:	0		
(ii) Shared power to vote or direct the vote:	3,671,103		
(iii) Sole power to dispose or direct the disposition of:	0		
(iv) Shared power to dispose or direct the disposition of:	3,671,103		

Shawn Kimel

(a) Amount beneficially owned:	3,671,103	Percent of class:	9.2%
(b) Number of shares as to which the person has:			
(i) Sole power to vote or direct the vote:	0		

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(ii) Shared power to vote or direct the vote:	3,671,103
(iii) Sole power to dispose or direct the disposition of:	0
(iv) Shared power to dispose or direct the disposition of:	3,671,103

Shawn Kimel Investments, Inc.

(a) Amount beneficially owned:	3,671,103	Percent of class:	9.2%
(b) Number of shares as to which the person has:			
(i) Sole power to vote or direct the vote:			0
(ii) Shared power to vote or direct the vote:			3,671,103
(iii) Sole power to dispose or direct the disposition of:			0
(iv) Shared power to dispose or direct the disposition of:			3,671,103

As of the date hereof, after giving effect to the sales of Common Stock described above, the Fund beneficially owns 3,671,103 shares, representing approximately 9.2% of the Company's outstanding shares. The Fund's sole general partner is the GP, which is the wholly-owned subsidiary of Management. Management is the majority-owned subsidiary of SKI, 100% of which is owned by Kimel. Therefore, each of the GP, Management, SKI, and Kimel may be deemed to beneficially own, in the aggregate, 3,671,103 shares, representing approximately 9.2% of the Company's outstanding shares.

Except as set forth above, the Reporting Persons have not effected any transactions in the Common Stock during the 60 days preceding the date of this Amendment No. 1 to the Schedule 13D.

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: February 22, 2010

THE K2 PRINCIPAL FUND, L.P.

By: K2 GENPAR, INC., its General Partner

By: /s/ SHAWN KIMEL
Shawn Kimel
President

K2 GENPAR, INC.

By: /s/ SHAWN KIMEL
Shawn Kimel
President

K2 & ASSOCIATES INVESTMENT
MANAGEMENT INC.

By: /s/ SHAWN KIMEL
Shawn Kimel
President

SHAWN KIMEL INVESTMENTS, INC.

By: /s/ SHAWN KIMEL
Shawn Kimel
President

/s/ SHAWN KIMEL
Shawn Kimel, in his individual capacity