

ENERGY PARTNERS LTD  
Form SC 13D/A  
March 15, 2010

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 13D/A**

Under the Securities Exchange Act of 1934

(Amendment No. 2)

**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)

March 11, 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)

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Schedule 13D/A

CUSIP No. 29270U303

Page 2 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

NUMBER OF 7 SOLE VOTING POWER

SHARES

BENEFICIALLY

-0-

8 SHARED VOTING POWER

OWNED BY

EACH

REPORTING

3,123,037

9 SOLE DISPOSITIVE POWER

PERSON

WITH

-0-

10 SHARED DISPOSITIVE POWER

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3,123,037

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,123,037

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

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

7.8%

14 TYPE OF REPORTING PERSON

PN

Schedule 13D/A

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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) "

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

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NUMBER OF 7 SOLE VOTING POWER

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-0-

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-0-

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

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

0.0%

14 TYPE OF REPORTING PERSON

CO

Schedule 13D/A

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1 NAME OF REPORTING PERSONS

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

K2 & ASSOCIATES INVESTMENT MANAGEMENT INC.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) " (b) "

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

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ONTARIO, CANADA

NUMBER OF 7 SOLE VOTING POWER

SHARES

BENEFICIALLY

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OWNED BY

EACH

REPORTING

-0-

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-0-

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-0-

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CO

Schedule 13D/A

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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

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4 SOURCE OF FUNDS

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CANADA

NUMBER OF 7 SOLE VOTING POWER

SHARES

BENEFICIALLY

-0-

OWNED BY

8

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14 TYPE OF REPORTING PERSON

IN

Schedule 13D/A

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

SHAWN KIMEL INVESTMENTS, INC.

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7.8%

14 TYPE OF REPORTING PERSON

CO

## Schedule 13D/A

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This Amendment No. 2 to Schedule 13D modifies and supplements the Schedule 13D initially filed on October 2, 2009, as amended by Amendment No. 1 to the Schedule 13D filed on February 22, 2010 (as amended, 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. 2, 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 2. Identity and Background**

Item 2 to the Statement is hereby supplemented with the following information:

As of January 1, 2010, in connection with an internal reorganization, K2 GenPar, Inc. was replaced as general partner of the Fund by K2 GenPar L.P., an Ontario limited partnership (the New GP). The general partner of the New GP is K2 GenPar 2009 Inc., an Ontario corporation (GenPar 2009), which is a wholly-owned subsidiary of SKI.

**Item 5. Interest in Securities of the Issuer**

Since the date of Amendment No. 1, the Reporting Persons sold an aggregate of 548,066 shares of Common Stock in open market transactions at an average price of \$11.0686 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 40,041,334 shares of Common Stock issued and outstanding as reported in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 11, 2010) and were effected on the following dates for the following average price per share:

Date	Total Shares Sold	Average Price per Share
February 23, 2010	250,000	\$ 10.00
March 2, 2010	3,666	\$ 10.50
March 3, 2010	600	\$ 10.53
March 5, 2010	9,700	\$ 11.032
March 11, 2010	284,100	\$ 12.019

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: 3,123,037 Percent of class: 7.8%  
 (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:	3,123,037
(iii) Sole power to dispose or direct the disposition of:	0
(iv) Shared power to dispose or direct the disposition of:	3,123,037

**K2 GenPar, Inc.**

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(a) Amount beneficially owned:	0	Percent of class: 0.0%
(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:	0	
(iii) Sole power to dispose or direct the disposition of:	0	
(iv) Shared power to dispose or direct the disposition of:	0	

**K2 & Associates Investment Management Inc.**

(a) Amount beneficially owned:	0	Percent of class: 0.0%
(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:	0	
(iii) Sole power to dispose or direct the disposition of:	0	
(iv) Shared power to dispose or direct the disposition of:	0	

**Shawn Kimel**

(a) Amount beneficially owned:	3,123,037	Percent of class: 7.8%
(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:	3,123,037	
(iii) Sole power to dispose or direct the disposition of:	0	
(iv) Shared power to dispose or direct the disposition of:	3,123,037	

**Shawn Kimel Investments, Inc.**

(a) Amount beneficially owned:	3,123,037	Percent of class: 7.8%
(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:	3,123,037	
(iii) Sole power to dispose or direct the disposition of:	0	
(iv) Shared power to dispose or direct the disposition of:	3,123,037	

As of the date hereof, after giving effect to the sales of Common Stock described above, the Fund beneficially owns 3,123,037 shares, representing approximately 7.8% of the Company's outstanding shares. The Fund's sole general partner is the New GP and the general partner of the New GP is GenPar 2009, the wholly-owned subsidiary of SKI. 100% of SKI is owned by Kimel. Therefore, each of the New GP, GenPar 2009, SKI, and Kimel may be deemed to beneficially own, in the aggregate, 3,123,037 shares, representing approximately 7.8% of the Company's outstanding shares. As a result of the internal reorganization described in Item 2, GP and Management no longer beneficially own any outstanding shares of the Company.

Except as set forth above and in Amendment No. 1, the Reporting Persons have not effected any transactions in the Common Stock during the 60 days preceding the date of this Amendment No. 2 to the Schedule 13D.

**SIGNATURE**

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: March 15, 2010

THE K2 PRINCIPAL FUND, L.P.

By: K2 GENPAR L.P., its General Partner

By: K2 GENPAR 2009 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